PRESS CONFERENCES

of

THE PRESIDENT

1934 -- Jan. 1 to June 30

Henry M. Kannee,
Official Reporter.

CONFIDENTIAL
Press Conference #83,
Executive Offices of the White House,
January 3, 1934, 10.50 A.M.

THE PRESIDENT: I got to bed at 1.30.

Q After we wrote the stories that you were going to work all night on your Message?

THE PRESIDENT: Yes. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any particular news. You have a message. I think it speaks for itself. Tomorrow the Budget Message comes out and this afternoon we have arranged for a little party of the financial people who are coming over to the White House, to the Oval Room, and we will sit around and talk figures.

MR. EARLY: 4.30?

THE PRESIDENT: 4.30 in the Oval Room and try not to make it more than thirty or forty people, if you can, because you will all have to sit on the floor.

MR. EARLY: The Budget Director advises that he will have copies available at 3.30.

THE PRESIDENT: The copies will be available at 3.30 so that those who are going to come will be able to go over the copies.

Q When may we expect that the debt Message will go up?

THE PRESIDENT: I have no idea. There isn't any timetable on that.

On the pay cut thing you were asking about, a draft of Order came to me this morning and, because it did not have all the supporting figures which I want to go into myself, I have sent for the supporting figures and it will probably be some time before

I go through all the figures.

So there really isn't any news. Just as a hint, I would go a little slow about talking about large restorations and also I think that you do have to remember that I am bound by the law on this thing.

Q Is that six per cent a good guess?

THE PRESIDENT: I think it is a terrible guess. (Laughter)

Q Which way?

THE PRESIDENT: (No answer)

Q How would you guess?

THE PRESIDENT: I haven't the figures yet, that is it.

Q You said it would be some time. Is that hours or days, several days --

THE PRESIDENT: (interposing) I told you it is merely a question of my getting time to do it. It depends on when I get back to the house and when we get through with the Budget talk. I am going to try to get at it today but I cannot guarantee it.

Q Mr. President, is it permissible to discuss the text of the Message at this time?

THE PRESIDENT: I do not suppose that we had better talk about the details of the Message because, in the first place, most of your stories are written. What were you going to ask, what particular kind of a thing?

Q You said in the Message that some of the sister nations were not ready to stabilize. Does that mean that we are?

THE PRESIDENT: I do not think I need to elaborate on the language at all. It is perfectly clear and speaks for itself.

Q Mr. President, do the other Messages make specific recommendations?

THE PRESIDENT: I haven't any schedule at all. I don't know. There will be, of course, during the course of the session, other messages. I don't think that I will adopt the attitude of sending a message up on every specific subject. Some of the legislation will probably originate in committees. In other words, there will be a pretty close liaison between the White House and the committees and there will be substantial agreement. A good many things will not be -- will not take the form of messages to Congress at all. There probably will be a message, as I said the other day, on tariffs but there isn't any regular schedule of messages or even a determination of what things will take the form of messages and what won't.

Q Tentatively again, isn't every nation going to stabilize if it could name the parity figures?

THE PRESIDENT: If it could name its own figure? I don't know. I think you had better use this -- I suppose you can use it as background. There are a good many nations whose entire financial setup is so weak that it makes it awfully difficult for them to do anything -- unbalanced budgets, things of that kind. It is a little bit as if you and Stevie and I were to agree to enter into a partnership and each put in $100,000. (Laughter) And then you and I were to discover that while Stevie had $100,000., he was living away beyond his means. (Laughter) Well, the chances are that you and I would go ahead without Stevie and that is a perfectly good illustration of one of the international problems relating to permanent stabilization.

You will notice that when I used the word "stabilization," I also used the word "permanent" which is a very different thing than "temporary" and also the term "world-wide." In other words, we are looking a long ways or to the time when we can get it world-wide.

Q Are there any countries that just want to stay away from stabilization and stay away from gold and go on a managed currency entirely?

THE PRESIDENT: For instance, Sweden has a managed currency today.

Q Would Sweden have preferred to stay away?

THE PRESIDENT: Great Britain has a managed currency.

Q And there is some sentiment toward keeping it that way?

THE PRESIDENT: Yes.

Q Would you suggest that the N.R.A. be made permanent at this session of the Congress?

THE PRESIDENT: Well, I think you are a little premature, John (Boettiger). I think if you will read the message, it makes it perfectly clear that certain objectives or certain functions of the N.R.A. -- not necessarily because I very carefully said that there are some things that need readjustment of machinery -- but that certain objectives and purposes must not only be made permanent but are permanent. They are just there. The people who are kicking, they are just out of luck.

Q Mr. President, in the Interstate Commerce Commission, in the matter of the appointment of the successor of Brainerd (Mr. Ezra Brainerd, Jr.), has that matter been taken up?

THE PRESIDENT: I have not had time to take it up at all. Probably the vacancies on the R.F.C. won't be filled. I have to reappoint the Board of the R.F.C. I think on the sixteenth of January, about then, and I will fill the two vacancies. There is one (now) and of course Mr. Couch (Mr. Harvey Couch) is going off until that time.

Q In your discussion of your Message, I guess we are bound to keep that until it is released?

THE PRESIDENT: Oh, I think so. You will have to keep this talk of the Message until it is actually delivered. Don't put anything on the wire until then.

Q Don't tell anything about my hundred thousand dollars?

THE PRESIDENT: No. (Laughter) Right, stout fellow.

Q (Mr. Stephenson) Thank you, Mr. President.

Q Have you discussed this matter of retiring submarginal lands?

THE PRESIDENT: Somebody wrote the story way back sometime during the summer when we announced the policy that for every acre we would put in by reclamation we would take out an equivalent number of acres that would produce the same crops. It is a perfectly definite policy and has been for months.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #84 - Budget,
Executive Offices of the White House,
January 3, 1934, 4.45 P.M.

THE PRESIDENT: Well, Gentlemen of the Senate, (laughter) I am sorry Lew Douglas is not here but Mrs. Douglas is not well up in New York and Lew had to go up this afternoon, so I haven't anybody to explain the details and I do not believe I can. I will do the best I can. I think I can talk about the high spots of the Budget Message but when it comes down to details you will have to dig into the figures yourselves, as I will have to dispense with Lew Douglas.

By the way, please note that the confidential release means "when delivered to the Houses," which will be, I take it, at the opening of the session tomorrow morning. They will be there at that time, anyway, so when they are handed in at the desk at the Senate and House, either one, let it go.

In regard to the Message, I suppose if I were writing your stories for you, I would say it is the most brutally frank Budget Message ever sent in. In other words, I am not mincing words or trying to hide anything. However, and this is going to be awfully hard for you to write, there isn't a single figure in this, except about a billion dollars in regard to this year's Budget -- this year's financial operations of the Government -- that you people have not been in possession of since the sixteenth of June and I am awfully sorry if you people have not used your own pencils. It is not my fault, the figures were there all the time and any one of you could have added them up. So I hope you will make it perfectly clear that what may appear in this particular fiscal year's figures as being perhaps a bit of a shock is your fault and not mine because, when you come down to it -- let me give you a little philosophy in Budget-making -- a legislative body authorizes appropriations. From that moment on the authorized appropriation becomes a contingent liability. It may not be spent but it may be spent. It may not all be spent this year, some of it may be spent next year and some of it the year after; on the other hand, all of it may be spent this year, therefore it is a contingent liability.

Now, the authorizations of the last session of the last Congress, in other words, the Congress that went out on the fourth of March last, plus the authorizations of the special session, made it perfectly clear that we might very easily spend this current fiscal year that we are in now $10,000,000,000. Now, you ask, "How do you arrive at that figure?" Turn to page -- at the bottom of page V. It shows that we expect to spend -- to spend, mind you; there is all the difference in the world between expenditure and appropriation -- we expect to spend $9,403,000,000.

Turn over to the next page and that is itemized in that table into two main headings: for the general expenses of the Government, $3,045,000,000., and for emergency expenses, $9,403,000,000. (There was a slight pause.) Now, that $9,403,000,000. might have been a great deal bigger.

Q You mean $6,357,000,000.?

Q You mean six billion --

THE PRESIDENT: (interposing) I mean nine billions, the total of the figures. The total figures will be, as far as we can tell now,

$9,403,000,000.

Now, I say, that should not be a shock. First, there is a whole lot of stuff that has not been authorized by the Congress, has not been spent and is not going to be spent this fiscal year. For example, the total appropriations for public works, which were $3,300,000,000., we only have gone in for $1,677,000,000. We might, if we had allocated it differently, spend the whole $3,300,000,000. In the same way, on R.F.C., that big item, $3,969,000,000., Jesse Jones might have obligated the Government for the total amount. As I remember it, that is about $150,000,000. shy of what he could have spent or obligated the Government for -- what he could have spent this fiscal year. Therefore, and I am taking the offensive here -- therefore, if you people had only added up figures that were in your possession on the sixteenth day of June, you could have figured very, very easily that the expenditures during this fiscal year could have run beyond $10,000,000,000. So, do not blame me for springing things on you.

Q Do you know what the emergency expenditures are?

THE PRESIDENT: I have not got it.

Q Do you know whether the Government could spend money as fast as shown in here? People have added figures and concluded a deficit between four and five billion dollars, reckoning that the Government could not spend money faster than that, even with C.C.C. and --

THE PRESIDENT: (interposing) In the first place, this emergency list of $6,357,000,000. is made up by taking the lowest estimate of what each one of these agencies expects to spend. Their estimates that they think they can spend are higher than these. We are taking the lowest.

Q We added it up to $5,000,000,000. and I cut it and said it was $4,000,000,000.

THE PRESIDENT: Well, for example, nobody on the sixteenth of June had the foggiest idea as to how much of the Public Works money could be spent before the first of July next, 1934. If we had not reached it the way we had, if we had just approved every application from every state and community all through the country, we would have spent it and a great deal besides. But it was available for expenditure and the actual rate of expenditure depended on the administrative methods for spending it. That amount of $9,000,000,000. does not represent nearly what we could have spent under authorizations that were all completed on the sixteenth day of June. That is the point I want to make. Therefore, there should not be anything surprising in the figures for this fiscal year.

Q Is direct relief in here?

THE PRESIDENT: Yes.

Q Under Public Works?

THE PRESIDENT: As I remember it -- now you are getting me down to details -- as I remember it, part of the relief money came from the R.F.C. and $400,000,000. of the C.W.A. came from Public Works. Am I right on that? I think that is right.

Q Carrying on this question of how fast the money can be spent, I think the Treasury's last statement showed that the R.F.C. spent $600,000,000. in the first six months. This figure would mean that in the coming six months they would have to spend five times that amount. Is there any expansion in the R.F.C. activities which would enable them to do that?

THE PRESIDENT: I think that means they have spent 600 millions more than their receipts.

Q This is not a net figure then?

THE PRESIDENT: No, this is a gross figure.

Q Is there any figure showing the return to the Treasury by the R.F.C.?

THE PRESIDENT: I think that is in here but I could not tell you where. Now you have me; I do not know.

Q On page VI you say that there are certain additional expenditures in that $1,166,000,000. "shown in a subsequent table herein." Where is that table? I have not found it.

THE PRESIDENT: Maybe it is in the big book.

MR. EARLY: That is where I think it is.

THE PRESIDENT: I think it is in the big book.

Q Mr. President, just to clear this up, this $9,403,000,000. is the figure you actually expect to reach in this fiscal year?

THE PRESIDENT: Yes, the total expenditure.

Q That is exclusive of the things that may be spent but that are not going to be spent?

THE PRESIDENT: Yes.

Q Otherwise it would have totaled ten billions plus?

THE PRESIDENT: And most of them, if not all, appear in next year's Budget. For instance, the first item, page VII, (under emergency expenditures) is for Public Works, $1,089,000,000. Now, that is all monies appropriated before the sixteenth of June last, and there will still be some money out of the $3,300,000,000. that will be spent in the fiscal year 1935-1936. For example the

Triborough Bridge in New York and the building of Government ships and items of that kind will take three years to complete.

Then on page VI, the next paragraph below the table, the estimated receipts for the fiscal year are $3,259,000,000. Those, of course, are very distinctly better than we had any idea of last spring. In other words, taxes have been coming in in better shape during the last six months than we had anticipated. Then, leaving out certain additional expenditures over 1934, (reading from 1935 Budget)

> "On this basis, including, however, certain additional expenditures for 1934 which are not included in the Budget estimates but which I believe to be necessary and amounting to $1,166,000,000 as shown in a subsequent table herein --"

Where that subsequent table is I do not know. I can describe it to you. Those are amounts which we believe we have to get appropriations for very soon from the Congress, I mean within the next month, in order to carry us through on certain operations that are under way, all of it to be spent before the first of July. The principal item is the one we talked about the other day for continuing the C.W.A. In other words, we only have enough money to run the C.W.A. until the fifteenth of February and we believe that these four million people who are on the rolls of C.W.A. ought to be given work up to warm weather which, on the average of the country -- we set the date as of the fifteenth of April. That means providing the money for four million people for two months longer. That will come, as I remember it the last time they wrote the figures, to about $400,000,000. Then there are certain other items; I think there are four or five of them. There is money needed for the Home Loan Bank building, for Farm Credit which is mostly, as I remember it, not direct loaning for farm credit on farms but is to take up the older financing of the land banks, the Federal Land Banks, as I remember it, which is 100 or 150 million dollars. There are several items of that kind to put the previous legislation into full effect and it totals $1,166,000,000.

Q That will bring the total expenditures for this fiscal year to $10,500,000,000.?

THE PRESIDENT: $10,569,000,000., yes -- no, no; on this basis, including, however -- we are wrong there -- including, however, certain additional expenditures for 1934 to the tune of $1,166,000,000. as shown in a subsequent table, the excess of expenditures over receipts is $7,309,000,000. Now that figure is arrived at -- you have it right -- the expenditures of $9,403,000,000. less the income of $3,259,000,000., plus the new expenditure of $1,166,000,000. -- right?

Q Yes, sir.

Q But the gross expenditures will be over $10,000,000,000.?

THE PRESIDENT: Yes. On the basis of these estimates the total debt, in the strict sense of the term, at the expiration of this fiscal year -- in other words, the debit side of the Government balance sheet -- will therefore amount to approximately $29,847,000,000., or an increase as shown above of $7,309,000,000. (Reading)

> "However, as against this increase in the total debt figure, it is right to point out that the various governmental agencies have loans outstanding with a book value of $3,558,516,189 against which collateral or assets have been pledged.

> "In order to make clear to the Congress what our borrowing problem is for the next 6 months, permit me to remind you that we shall have to borrow approximately 6 billion dollars of new money and, in addition, 4 billion dollars to meet maturities of a like amount."

I do not think there is any question of the authority of the Government to borrow that amount of money for the next six months in view of the subsequent pages in this Budget Message, in other words, the proposals for the next two fiscal years.

Q This credit side of the ledger, this $3,558,000,000., against which collateral or assets have been pledged, does that include the Public Works loans already made, or does it include the R.F.C. loans to banks?

THE PRESIDENT: I could not tell you except -- and this, I must tell you, is part guess on my part -- I do not think that includes any of the Public Works loans except where the collateral is actually in the Government possession at this time, and that is only a very small percentage of the allotments that have been made to self-sustaining public works. In other words, a great deal of it, as you know, is in process of the actual signing up of the contracts with the municipalities and the delivery of the certificates of indebtedness or bonds or whatever it may be. Actually, this figure of $3,558,000,000. is a very conservative figure. It probably runs a good deal more than that and, in these figures, it is also fair to say that of the figures on the expenditures, as I said, we have taken the maximum.

Of course we all know that probably a good deal of this will not be spent this fiscal year but I am taking the worst side of expenditures and the same way on the income side, the revenue end, I am taking the lowest figure that anybody has estimated. I do not want to make the mistake that has been made on certain previous occasions you are all familiar with.

Q Is there any estimate here on the amount of the processing taxes you were able to collect? I have not been able to find it. On page VI there is an item, "Agricultural Adjustment Administration, $103,000,000." but I have not been able to find any estimate of the processing tax.

THE PRESIDENT: I think they were left out on both sides. There is something about processing taxes a little later on.

Q Mr. President, on page 21 of the Secretary of the Treasury's Annual Report, the increase in the 1934 estimates makes it (the excess of expenditures over receipts) $6,141,000,000. and the increase in the public debt to $28,679,000,000. I do not quite understand how you reconcile that with the Budget figures, which are more than a billion dollars higher. Is that because the figure $1,166,000,000. is not taken into account?

THE PRESIDENT: I guess so. See if it checks.

Q It does not quite, to the extent of 30 or 40 million dollars.

THE PRESIDENT: Well, what is that between friends? (Laughter) I guess that is it. Of course when that report of the Secretary of the Treasury was made, he did not know about my $1,166,000,000.

Q I see.

Q Mr. President, on page VIII can you break down that $2,000,000,000. for the next fiscal year that you are going to ask for?

THE PRESIDENT: Let me come to that. On the top of page VII you take up the fiscal year 1934.

Q Mr. President, just one more question before we go on. This sounds very silly: Why is it that the expenditures of this fiscal year, which ends June thirtieth, are taken up in this Budget report? I thought this Budget report dealt with the fiscal year 1934 and 1935.

THE PRESIDENT: Because, in dealing with the fiscal year 1934-5, I have got to tell the country how we started off on the first of July, 1934. If I were to tell the country that we started off on the first of July, 1934, with an estimated public debt of $29,847,000,000., without explanation, it would have been pretty bad.

Now, the fiscal year 1935. (Reading)

> "The Budget estimates of expenditures, exclusive of debt retirement of $525,763,800 and exclusive also of such sum as may be necessary for new and extraordinary recovery purposes, for the fiscal year ending June 30, 1935 amount to $3,960,798,700."

On the expenditures for the fiscal year ending June 30, 1935, under general expenditures, we have for Departmental, Legislative and Independent establishments the total amount of $3,237,000,000.

Then, under emergency expenditures, we have the Public Works Administration, $1,089,000,000. already appropriated for; the Agricultural Adjustment Administration, $5,000,000., which has already been obligated; Emergency conservation work, $65,000,000.; the R.F.C., $480,000,000., which is the excess of credits and you will therefore deduct it; the Tennessee Valley Authority, $31,000,000., which is the balance of the $50,000,000. appropriated to them, already authorized but not expended; and Federal Land

Banks, $12,650,000., making the total for the year, not counting any new emergency expenditures, of $3,960,000,000. (Reading)

> "It will be noted that many of these items such as public works fall under appropriations made in 1933, the actual expenditures not taking place until after June 30, 1934. (For details of above expenditures see Budget Statement No. 3, table A.)
>
> "The above figures do not include additional loans by the Reconstruction Finance Corporation. If its loaning authority is extended beyond June 30, 1934, it is contemplated that any additional loans by it would thereafter be taken from the new and additional recovery fund hereinafter referred to."

In other words, what we have done there is in our figures of receipts and expenditures of the R.F.C., we close them out as of the thirtieth of June, which means that if their life is extended and they go on for another year, anything additional they spend in the new year will come out of new appropriations.

Q Doesn't their lending power expire this January? Don't you have to have it extended to June thirtieth?

THE PRESIDENT: Part of it does and part does not. I think some of it does have to be extended.

Now, as against that figure of total estimated expenditures, we get estimated receipts for the next fiscal year, exclusive of foreign debt payments and, by the way, that does not mean that we have abandoned asking and trying to get foreign debt payments -- and of increased revenue flowing from amendments to the existing revenue law, amounting to $3,974,000,000. (Reading)

> "Therefore, exclusive of debt retirement, these Budget estimates for the next fiscal year show a small surplus of $13,866,779. But it must be borne in mind that this surplus does not include any ad-

> ditional expenditures for extraordinary recovery purposes."

So you might fairly say that, exclusive of those two, exclusive of foreign debt, liquor taxes and increased revenue from tightening up on the existing law, on the credit side of the ledger, we would have a surplus for the next fiscal year of $13,000,000., without counting any new appropriations towards recovery.

Then I go on: (Reading)

> "It is clear that the necessity for relief and recovery will still be with us during the year 1934-35. Additional relief funds will be necessary. Further needs of the country prohibit the abrupt termination of the Recovery Program. No person can on this date definitely predict the total amount that will be needed, nor the itemizing of such an amount."

That is the answer to your question. (Reading)

> "It is my best judgment at this time that a total appropriation of not to exceed 2 billion dollars will, with the expenditures still to be made next year out of existing appropriations, be sufficient.
>
> "I shall therefore ask the Congress for appropriations approximating that amount."

Now, the best way to put it to you is the way I put it to the Senate and House leaders the other day. I said, "I am going to ask you for $2,000,000,000. and I don't care, it is up to you gentlemen on the Hill, as to how you are going to pass that $2,000,000,000. You can either give it to me as a lump sum, or, if you prefer, you can itemize it according to the best information and recommendations I can give you at the present time in regard to those items. But if you do itemize it, I hope that you will give me the authority to shift amounts from one item to another as may be needed."

Now, roughly speaking, -- I do not see that there is any reason why I should not tell you now, this is very general -- as to the itemizing, and it gives a pretty good example too, take the question of relief for next winter: nobody knows what that will run to. We cannot tell until we know the conditions next fall. We do not believe that we can cut off Federal assistance to the states or municipalities altogether. We do not think there is a possibility of that. We think it may run a minimum around $300,000,000.; we think it may run a maximum of $800,000,000., but we cannot tell in between those figures. Therefore, if I were asked what amount I would put in the itemization of the $2,000,000,000. for relief, I would say "Somewhere around 550 or 600 million dollars." When the time comes, it may be less or it might be more.

Another item, public works, ought to have some leeway again. We have the carryover of a little over a billion dollars to spend next year but there will undoubtedly be certain projects which ought to go on, both because of their own merit and also in order not to chop off the work in any given locality. We probably ought to have a comparatively small additional sum for public works. There again, I could not tell on the second day of January exactly what the situation would be, or even on the first day of July, and I would put down as a rough figure $500,000,000. for public works.

Then, the third major item relates to the R.F.C. There probably will be, next year, certain necessities for Government lending, which is very difficult to forecast at the present time. It may be necessary to use some additional Public Works -- R.F.C.

money, for example to help out weak banks, for the purchase of the assets of banks. It may be necessary or advisable for the R.F.C. to take care of certain other financing that has not been cleared up yet and probably -- I think probably you had better treat this as off the record because we do not want to scare people -- we may need, when we come down to it, certain financing for building and loan associations. There is no legislation to take care of it. We may be able to work it out this year, before the first of July. After all, we have insured the savings banks and all the other banks and even the Morris Plan Bank that came in yesterday, and some of the building and loan associations that are used for the investment of savings may need the same kind of assistance we have given to other savings institutions. I would rather you did not say anything about it because it may cause a run on building and loan associations. Take another instance: The insurance company problem is a good deal better than it was because, now that the fuss is over, you and I can talk privately among ourselves and admit that last March there was not a solvent insurance company in the United States. The Federal Government has never gone into the insurance field in any way. It has always been a state matter. We may need to strengthen some of the insurance companies next fall. Not that they are not today technically solvent, all of them. Then some of the mortgage guarantee companies, which have spread an enormous volume of securities -- guarantee mortgages -- out through some of the larger centers of the country, we may need to do some financing on some of those. Therefore, I am putting in $500,000,000. for the R.F.C.

That brings you to $1,600,000,000., those three items, $600,000,000. for relief, $500,000,000. for R.F.C., $500,000,000. for public works, which is $1,600,000,000. Then $300,000,000. for the Civilian Conservation Corps, because I am going to recommend that that go through another year. That is $1,900,000,000. The last $100,000,000., I have forgotten now, but I think it is Farm Credit and Home Loan. But, as I say, I want to have -- I have asked Congress to give me authority to shift from one item to the other as may be necessary, at least until Congress meets next January.

Q Will the N.R.A. additional expenditures come out of Public Works?

THE PRESIDENT: I think -- and on this again you had better check it -- I think I have allocated enough out of Public Works already to tide them over to the end of their legal life.

Q Did the off-the-record apply to the mortgage guarantee companies only?

THE PRESIDENT: I would make it apply to the building and loan and insurance and mortgage guarantee, all three. You might call it the emergency needs of the R.F.C.

Q That mortgage guarantee has already been done to a small extent?

THE PRESIDENT: Yes, but we are not out of the woods on it yet. (Reading)

> "This amount is not included in the Budget estimates. If appropriated and expended, therefore, it will change the small estimated surplus of 13 million dollars into a debt increase of nearly 2 billion dollars. It is only fair, of course, to say that such a debt increase would be partially offset by loans made against collateral and assets pledged."

That would be so in the case of R.F.C. and Public Works. (Reading)

> "Therefore, the total debt, if increased by the sum of 2 billion dollars during the fiscal year 1935, would amount to approximately $31,834,000,000. on June 30, 1935."

Then come what is really these two things, which amount to the most important part of the Budget Message from the point of view of putting the lid on unlimited Government expenditures. (Reading)

> "It is my belief that so far as we can make estimates with our present knowledge, the Government should seek to hold the total debt within this amount."

That really is the most significant phrase in the entire Message. (Reading)

> "Furthermore, the Government during the balance of this calendar year should plan to bring its 1936 expenditures, including recovery and relief, within the revenues expected in the fiscal year 1936."

In other words, plan definitely as a part of Government policy during the balance of this year to bring in a Budget next year that will be absolutely balanced and with no deficit in it. In other words, a Budget that will include recovery and relief as well as general expenses of the Government and have that all covered by revenue. (Reading)

> "Let me put it another way: The excess of expenditures over receipts during this fiscal year amounts to over 7 billion dollars. My estimates for the coming fiscal year show an excess of expenditures over receipts of 2 billion dollars. We should plan to have a definitely balanced Budget for the third year of recovery and from that time on seek a continuing reduction of the national debt."

Q Mr. President, reverting to the top paragraph of the page, you leave out liquor taxes. Are you saying that the liquor taxes will take care of such appropriations as Congress will make which you are not contemplating?

THE PRESIDENT: I am not talking about those they are not contemplating at all. But we certainly will get quite an additional sum, as far as any human being can tell, from the liquor taxes and the tightening up on the income taxes, et cetera, yes.

Q You speak of that (the continuing reduction of the national debt) from that time on. Is there to be any annual debt retirement in the interval?

THE PRESIDENT: That is just what I talked about. I said, "Why don't you put debt retirement down?" But, what is the use if you are borrowing more than your debt retirement; why not leave it out? We could very easily put debt retirement in and borrow that much more but, as long as you are running a deficit, it is simpler this way.

Q Later on in this Message you indicate that the revenues from these sources, liquor and income taxes, will amount in a few years to approximately $400,000,000. and nowhere in the Budget does that show as an offset. If the estimates of revenue from that source prove sound, would that mean that the deficit in two years will be approximately $400,000,000. less?

THE PRESIDENT: Yes but, of course, I cannot take cognizance of that because that is up to Congress.

Q Are we not abating some taxes, those taxes that were levied for the emergency?

THE PRESIDENT: Yes, they do not appear in this.

Q Therefore the liquor tax is to take the place of those sources of revenue, is it not?

THE PRESIDENT: As I remember it, we abated about $110,000,000. worth of taxes --

Q (interposing) $227,000,000.

Q (by a representative of the Budget Bureau) It was $220,000,000.

THE PRESIDENT: Was it $220,000,000. that went out?

Q (by a representative of the Budget Bureau) Yes, that was the carrying charge on the $3,300,000,000.

Q By increased taxes you mean all over $1.10?

THE PRESIDENT: All over $1.10, and I can tell you that the gentlemen from the Hill, when I read this the night before last and showed them that I was only estimating $50,000,000. on that, they said, "You are way low." I said, "It is up to you gentlemen." So that might come way up.

Q You are not including any new taxes on new tax legislation passed this Congress?

THE PRESIDENT: No.

Q On this $2,000,000,000. emergency and recovery fund you asked for in this 1935, either in a lump sum or specified, plus these points you make about the total public debt, am I right in assuming that your policy or intention is to slough off these public works or emergency activities --

THE PRESIDENT: (interposing) I said today in the Message to Congress, in a nutshell, that we are engaged in -- you might almost call it rebuilding the face of the country and that it will be, eventually, a national plan. You take, for example, the Missouri River or the Arkansas River or the Upper Mississippi: what we are doing out of Public Works is some of the obvious work at the major places, some of these big dams. Eventually, as we go through with the entire planning which, in the case of a river watershed, might run anywhere up to twenty-five or forty years, my thought is that by another year and a half we will have those plans pretty well nationalized so that there will be a complete national picture and that we will proceed on them at a rather definite yearly rate with the object of getting back as much as we can of that financing, knowing at the same time that we are increasing general national values, even if it does not come back to the Treasury, very largely and doing it in an orderly way and, as we are doing it, paying for it out of current revenues. In other words, putting it, as far as national planning goes, on a pay-as-you-go basis. These Public Works programs are taking care of some of the larger projects first.

What I would like to see -- and this is an expression of what I hope will happen in another year and a half -- is that we will definitely advocate, as a national policy, the expending of $500,000,000. a year to restore the face of nature and that will be paid for, not out of bond issues but out of current revenues.

Q What I had in mind was a certain school of thought which advocates vast housing undertakings, not slum clearings but housing, something along the lines done in England or Germany, as a measure for restoring the economic structure. That probably is not included in this plan.

THE PRESIDENT: No. It involves a great many difficulties. Of course I have belonged to the school of thought that says we ought to clean out our slums but it is pretty obscure as to how we are going to do it and nobody has yet, not even Brother Sprague, has come forward with a practical method of doing it. The simplest illustration I know of is that on the East Side of New York, in those worst slum areas, there are probably two or three hundred thousand human beings living in rooms that cost $5. per room per month. Now, those families, most of them foreigners, cannot afford to pay more than that and I do not yet understand the method of tearing down those buildings and putting up new buildings that will cost $11. or $12. per room per month because those unfortunate human beings cannot afford that rent.

A lot of people say, "Move them out into the extreme limits of Queens County." Now, that presupposes that we can probably provide it for them at $5. a month and that also presupposes that they have the carfare to get them in to where they work or the transportation facilities. It means building a new subway. It is a very difficult problem.

This is strictly off the record: Brother Sprague, the last time he came in to see me, the last time I went to Warm Springs, I said, "Professor, have you any real solution?" He said, "I have. Start immediately and spend $4,000,000,000. for suburban housing." I said, "Where?" "Everywhere." I said, "Let us see: Take the towns I know. Take Poughkeepsie: There are about 200 vacant suburban houses that you could pick up for a song today. Very nice. Take Atlanta, Georgia; Columbus, Georgia; Albany, New York. It is the same story in the Middle West and the same story, largely, in New England. It would be fine to spend $4,000,000,000. but you would never get it back and there are a lot of people who could not afford to live in your type of house."

It is a very difficult problem and I do not know the answer to it.

Q In lifting the face of Miss America, is it still the same thought to give the St. Lawrence a dip in the cosmetic bags? (Laughter)

(The President indicated the affirmative.)

Q Mr. President, talking about the emergency expenditures which will expire in 1935, do you think that recovery will have been restored by then to normality?

THE PRESIDENT: I would not say normality or normalcy. I hope we won't have to have large recovery expenditures after that.

Q They are mostly to take care of unemployment and I notice that you use the Federal Reserve index, which is quite high for 1935 and 1936 receipts, which would indicate that there would not be any need for extensive unemployment relief during that year?

THE PRESIDENT: Of course it is anybody's guess. In a nutshell, what we are doing is tapering off from the $7,000,000,000. this year to the $2,000,000,000. next year, which $2,000,000,000. includes well over a billion dollars already authorized, and then, the third year, to cut it out altogether except for such items as we have been talking about for the general rebuilding of the face of nature.

Q That is what you meant a little while ago when you said there would not be any question about the ability of the Government to borrow $10,000,000,000. in the next few months in view of the subsequent pages?

THE PRESIDENT: Yes. (Reading)

"This excess of expenditures over revenues

> amounting to over 9 billion dollars during 2 fiscal years has been rendered necessary to bring the country to a sound condition after the unexampled crisis which we encountered last spring. It is a large amount, but the immeasurable benefits justify the cost."

The nature of the table on page IX, I do not understand it myself -- (laughter) it shows the estimate for those past years, based on some kind of an index, and the expected rise in Government receipts on an index basis. Quite a lot of the Treasury people figure a good deal higher than this. We are taking the most conservative estimates made by the Treasury.

Then you come down to appropriations. (Reading)

> "The Budget estimates of appropriations for 1935, exclusive of Agricultural Adjustment Administration benefit payments and refunds of processing taxes, but inclusive of all other appropriations for regular departments and independent establishments including interest on the debt and debt retirement are $2,980,293,833.60. When compared with Budget estimates of appropriations transmitted in the Budget for 1934 they show a reduction of $684,913,167."

In other words, that is a direct comparison with the Budget that was sent up in December, 1932, and is the net measure, as I understand it from Douglas, a net measure of the savings we have made in the cost of running the regular Government.

Next we have taxes. (Reading)

> "The estimates of receipts take no account of the additional revenue which may be obtained from an increase in liquor taxes and from the proposed changes in the income-tax law. Since neither of these tax measures has come before Congress as yet, no accurate estimate can be made of their yield. However, if as proposed by the Committee of Ways and Means, the tax on distilled spirits is increased from $1.10 a gallon to $2 a gallon, and the rates of tax on wines are also increased, the estimated revenue would be increased by approximately $50,000,000, --"

and, as I told you, the members of the House and Senate say it will probably be a good deal more than that -- (reading)

> "-- assuming that consumption is not affected by additional gallonage taxes imposed by the States."

That is a gentle hint they should not make liquor too expensive. (Reading)

> "Considerable additional revenue can also be secured from administrative changes in the income-tax law, which may amount to as much as $150,000,000 for a full year.
>
> "The estimates for the Post Office Department are predicated upon a continuation of the 3-cent postal rate for nonlocal mail. It is highly important that this rate be continued. I recommend its continuance.
>
> "ECONOMY LEGISLATION
>
> "The estimates of appropriations submitted in the Budget are predicated on the continuation of certain economy legislative provisions which I ask to be enacted and which are appended hereto. The most important is that having to do with reduction of compensation of Federal employees."

Therefore, on the actual estimates in the departments we have based the figures on a restoration by law of five per cent of the cut. In other words, one-third of the fifteen per cent on the first of July is mandatory and the other ten per cent will remain, as it is, discretionary depending on the cost of living figures of the Department of Labor. (Reading)

> "It is eminently fair that, the cost of living having fallen as compared with 1928, the employees of the Government sustain some reduction in compensation. This is not inconsistent with our policy of advocating an increase in wages in industry. For wages there had fallen far beyond any reduction contemplated for Federal employees and in most grades are even now substantially below compensation paid Federal employees under the maximum reduction of 15 percent.

> "Among the legislative provisions appended hereto is one prohibiting automatic increases in compensation except in the Army, Navy, and Marine Corps. The personnel of these three services are engaged in a life service to their country. Some, by reason of the pay freezes, have sustained reduction in compensation of more than 25 percent."

As I understand it, if you get promoted you do not get the additional compensation that goes with the promotion. (Reading)

> "They are, therefore, in a different category from those in other governmental agencies. They should, in 1935, be released from the restrictions on automatic increases in compensation.
>
> "CONTROL"

And this is quite an important piece of news. Listen: (Reading)

> "Up to now there has been no coordinated control over emergency expenditures. Today, by Executive order, I have imposed that necessary control in the Bureau of the Budget.
>
> "Heretofore, emergency expenditures have not been subject to audit by the Comptroller General of the General Accounting Office. Today I am, by Executive order, reposing in him the authority to conduct such an audit and to continue to audit each such expenditure. Hereafter, therefore, just as in the departmental expenditures, there will be, in emergency expenditures, a pre-Budget and a post audit."

And so, it puts the spending of money by all these new agencies exactly on the same basis that all the old departments are. You have to go to the Director of the Budget for the approval of the items of expenditures and, after that has been done and the orders placed, you have to go to the Comptroller General before the money is actually paid out. (Reading)

> "By reason of the fact that the Bureau of the Budget has had no control in the past over the various expenditures, obligations, and allotments made by the emergency organizations, the task of preparing the present Budget has been the most difficult one

since the Budget and Accounting Act went into effect in 1921. These difficulties, in future years, will be substantially minimized by the control which I have established.

"It is evident to me, as I am sure it is evident to you, that powerful forces for recovery exist. It is by laying a foundation of confidence in the present and faith in the future that the upturn which we have so far seen will become cumulative. The cornerstone of this foundation is the good credit of the Government.

"It is, therefore, not strange nor is it academic that this credit has a profound effect upon the confidence so necessary to permit the new recovery to develop into maturity.

"If we maintain the course I have outlined, we can confidently look forward to cumulative beneficial forces represented by increased volume of business, more general profit, greater employment, a diminution of relief expenditures, larger governmental receipts and repayments, and greater human happiness.

"FRANKLIN D. ROOSEVELT.

"January 3, 1934."

In other words, as we were talking before, through the very definite Government plan of expenditures in this year which will create a deficit of seven billions, we believe we can advance a Government plan of reducing that to two billions next year, balance the Budget the following year and, from that time on, pay some of the debts.

Q Is there any thought of changing the present sinking fund requirements in connection with the reduction of debts beginning in 1936?

THE PRESIDENT: Changing them? How?

Q It is so very much larger that the present sinking fund would not take it down fast enough. Therefore, the sinking fund would have to be increased by the next Congress if they are to guarantee a reduction in 1936.

THE PRESIDENT: I do not know. I never went into that phase of it at all. What are the sinking fund requirements for it at the present time? Fifty-year basis on the average?

Q About that. It is 2½%.

THE PRESIDENT: Then it is less than fifty years?

Q Forty years.

Q It is a cumulative arrangement there.

Q The 2½% is not on the entire debt. There are peculiar arrangements. They take the war debt and deduct the amount that Europe owes us and then set up a sinking fund for the remainder.

THE PRESIDENT: Yes.

Q And then, there is a sinking fund in the National Recovery Act.

Q Are we going to go ahead with the sinking fund for the $3,300,000,000.?

THE PRESIDENT: We are, in effect. We are getting taxes to equal a sinking fund. Of course, as I said the other day, it does not make any difference whether you actually put your sinking fund in and add it to the total or leave it out. You get the same total in the long run.

Q This reference to taxes seems to indicate that, aside from plugging up the loopholes in the income tax, that you do not plan additional legislation. Is that a correct inference?

THE PRESIDENT: I think it is a pretty good inference for this year and the reason for it is that I am very hopeful that the actual tax receipts will run a good deal higher than the estimates we have here. I think it is better to plug the loopholes rather than get into a discussion of taxes at this session.

Q Can you give us a concrete and definite illustration of how the new Accounting Office control is going to work for emergency expenditures?

THE PRESIDENT: No. 1, it will mean that all purchases by N.R.A. or Public Works will have to go through the centralized purchasing bureau before the money is spent. No. 2, on any question of pay, salaries, et cetera, -- well, as a concrete illustration, before General Johnson fixes anybody's salary, he will have to go to Lew Douglas. (Laughter)

Q This is not retroactive, is it?

THE PRESIDENT: No; have a heart. (Laughter)

Q Would he have to go to General McCarl or Lew Douglas?

THE PRESIDENT: He will have to go to Lew Douglas in the first instance. And then, before the check is made out, he has to go to General McCarl.

Q He is going to have a hard time of it.

Q They will have to go through the same procedure, step by step, that the old organization went through?

THE PRESIDENT: Yes. Of course you could not do that during organization but the time has come where we should not exercise the same powers we have in the past.

Q You do not contemplate any restoration of pay of the Government people between now and July first?

THE PRESIDENT: You are a little ahead of time. I have not finished reading the various documents yet.

Q I noticed it has one from July first on.

THE PRESIDENT: Yes.

Q Is the five per cent mandatory provision included?

THE PRESIDENT: Yes, it is included in the actual estimates in each department for pay of personnel. The additional ten per cent restoration does not appear in figures but would be accomplished through authorizing me to incur a deficit if the cost of living went up sufficiently.

Q Does not the $3,900,000,000. for R.F.C. include about a billion for which you have to get new authority?

THE PRESIDENT: You mean authority from the first of January on?

Q Yes.

THE PRESIDENT: I think so. In other words, as I understand it, their total borrowing capacity is, roughly, $4,000,000,000., and if we extend their borrowing capacity up to the first of July, they will be able to loan out again certain payments that will be made, repayments, between now and the first of July so that on the first of July they will have actually loaned out practically all that they are authorized to lend out. Is that right? I think that is correct.

Q The effect of the Budget on public works is for carrying out existing commitments?

THE PRESIDENT: For carrying out existing commitments and carrying out a general plan which, after that, would be carried out through current revenue.

To avoid any misunderstanding, anything said today is confidential until the Budget is released tomorrow.

Q Is it background?

THE PRESIDENT: Background, except for R.F.C.

Q How about the illustration?

THE PRESIDENT: Yes. (Laughter) Stevie (Mr. Stephenson), you would ask that. (Laughter)

Q In the event that between now and July first you restore to the Federal employees one or two or three per cent of that cut, what is the situation after July first? Does that add to the five per cent?

THE PRESIDENT: No; then it depends on the new figures on the first of July.

Q I still do not think you could spend money this fast.

THE PRESIDENT: I hope not. But, as I said, I think we have gone the limit.

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Q There was a lot this week, Mr. President, but the boys seem anxious for more.

THE PRESIDENT: Yes. Fred Storm suggests that you are bears for punishment, that you had an awful lot of news this week and are just coming back for more.

Q Was there any news in the report of the Appropriation Committee Chairman?

THE PRESIDENT: No, just talking about various aspects of the total picture and I told them I thought they should live within the total picture, that I regard it as of very great importance that they should live within the picture, and they all agreed.

Q Have you received Mr. Peek's report yet?

THE PRESIDENT: I do not know. I think I have, but I have not read it.

Q You cannot tell us whether it recommends the establishment of a foreign trading corporation?

THE PRESIDENT: I think it does but the thing is only in a very preliminary stage yet. We haven't got to the point of working the thing out. As I say, I have not even read it yet.

Q Mr. President, have you in mind any recommendations for the reforming of N.R.A.?

THE PRESIDENT: No; you mean what we were talking about the other day?

Q I mean that and perhaps there are some other things such as preventing exorbitant profits and protecting the consumer.

THE PRESIDENT: No. The only thing that happened was that we talked about the use of the Federal Trade Commission for certain perfectly obvious things that they are charged by law to do. In other words, the theory is this: When you come down to unfair trade practices, the complainant would go in the first instance to the N.R.A. organization and the N.R.A. organization would try to settle the matter, sitting around the table, without formal proceedings. If, for example, the matter involved let us say a labor question, it would go to Senator Wagner's labor committee. If it involved a violation of the Sherman Anti-Trust Law or a similar unfair trade practice within the jurisdiction of the Federal Trade Commission, it would be referred, via me, to the Federal Trade Commission for determination.

You see, in that way you get a more or less formal decision by an existing agency which is fitted to handle it. But that does not mean that it takes the jurisdiction away from the N.R.A. as the first place to lay your complaint. What we are trying to do is to handle it on a practical basis -- settle it, if we can, around the table and if we cannot settle it then to send it to the official body for an official ruling.

Q Would that take care of the complaint of the little fellows that they have to bring their complaints before a Code Authority which is originally hostile to them?

THE PRESIDENT: If they felt that they had been badly treated by the Code Authority, the first thing they would do would be to go to the N.R.A. and that body would try to straighten it out without formal or court action and then, if they could not straighten it out, that matter would be referred to the Federal Trade Commission.

Q You spoke of a special board in the N.R.A. that might be set up to hear these complaints?

THE PRESIDENT: No, I don't know what the details will be.

Q Anything new on the Newspaper Code?

THE PRESIDENT: No, I have not looked at it.

Q Any changes contemplated in the child labor provisions?

THE PRESIDENT: I think I am going to make some inquiry about it.

Q Mr. President, today Secretary Wallace indicated that he is working out an official solution for the jurisdiction over the code of the N.R.A. and A.A.A.

THE PRESIDENT: I thought that was done. I did not know it had not been done.

Q He said it was being done at the time.

THE PRESIDENT: I do not know; I have not heard a word about it.

Q Have you picked a successor to Senator Wagner?

THE PRESIDENT: Not yet.

Q Would you say that something in the nature of a trading corporation is a good guess?

THE PRESIDENT: I would not guess because, as I said, I have not read any of the reports, either the Committee report or Peek's suggested setup.

Q Mr. President, the other day Phillips, Acting Secretary of State, said he was going to refer -- ask you about a report which he said was not complete concerning the Foreign Policy Committee. Can you discuss that?

THE PRESIDENT: I have got three, in that basket, different things, none of which I have read. One is from the State Department and another this Joint Committee and another from Peek. I do not know what is in them.

Q May we look today for the Order on the pay restoration, or part of it?

THE PRESIDENT: I doubt it. I haven't got to that yet. I have got to act very soon on account of the fifteenth of January checks.

Q Can you amplify what you said about your conference with the Committee Chairman?

THE PRESIDENT: We just talked about various phases. No news in it. Going over lots of different kinds of appropriations.

Q Anything on the Interstate Commerce Commission and Mr. Brainerd?

THE PRESIDENT: No, not yet.

Q In view of the amount of money that you recommend for public works in the year 1935, does that indicate that you see the end of public works allocations at some definite time? In other words, the amount is comparatively small, $500,000,000.

THE PRESIDENT: Were you there at the Budget discussion?

Q No.

THE PRESIDENT: We took that up at that time and it is a pretty long story. The general situation I outlined was this: That, in line with national planning, we would probably, as a Federal Government, go ahead on a very large national plan which would take in all parts of the country, that is watersheds, etc., with perhaps -- I would hate to call it a 25-year or 50-year plan because that sounds too much like some other country -- a long-range plan for public works. Such a plan would, in a sense, take into consideration the economic and, to a certain extent, a good many social features in preventing waste, better land use, prevention of soil erosion, prevention of floods, and so forth and all the various elements that go into forestry. The idea of that is that eventually the National Government would work out a plan by which it would spend a certain definite amount towards that program every year with a definite objective, but that that amount would be cared for out of the current annual revenue so that it would not get the Government into any more debt. That amount might run four or five hundred million dollars a year as a perfectly definite thing.

Q Mr. President, will there be any more new money for public works during this fiscal year, prior to July first?

THE PRESIDENT: I have not got that table. You mean within the $1,166,000,000.?

Q Yes, sir.

THE PRESIDENT: Gosh, I haven't the table; I do not know.

Q That was not broken down in the table.

Q I think you named Civil Works as one item in that.

THE PRESIDENT: Civil Works. I cannot remember the amount, it was either 350 or 400 millions for Civil Works.

Q Can you tell us something about the R.F.C. funds, what they are going to be used for?

THE PRESIDENT: Which?

Q The increased funds for the R.F.C. How they are going to be allocated?

THE PRESIDENT: I think Lew Douglas is the only man in the world who has the table and he is in New York.

Q For the gold policy, for instance?

THE PRESIDENT: And I think there was an item in there for additional gold purchases but I couldn't tell you the amount.

Q Was the discussion of the land buying program a part of this general plan you speak of? Would that be a part of it?

THE PRESIDENT: Yes.

Q Was there anything definite arrived at today when Secretary Wallace spoke with you?

THE PRESIDENT: We did not talk about that; we talked about liquor.

Q I thought you talked about the land plan?

THE PRESIDENT: You see, there is nothing new on the land purchase thing. That was decided way back August or September, somewhere along there.

Q What can you tell us about liquor?

(The President did not answer.)

Q What don't you know about liquor? (Laughter)

THE PRESIDENT: I got a darned good story about Scotch whisky but I cannot tell you. Go to the British Embassy and ask them.

Q Going to be cheaper Scotch?

THE PRESIDENT: No, less.

Q How about Canadian Rye?

THE PRESIDENT: Well, we are letting quite a lot of that in.

Q Have the British come forward for any other request for additional quota?

THE PRESIDENT: I might tell you this, off the record. I cannot tell you the results but I can tell you off the record entirely what the situation is. We are trying, quite frankly, to get rid of certain agricultural surpluses, especially hog surpluses and butter surpluses and our good friends, the British, are now getting about sixty-five per cent of all their hogs and a good part of their butter from Denmark and, out of the kindness of their hearts, they have been allowing us to send in six per cent of their consumption. They, very generously, have offered to raise that to seven and a half, and they think it is very generous, but we have not yet decided how much Scotch whisky we are going to allow in. And, for the story itself, I am only going to give you a lead as to where to go. For the story itself, consult the British Embassy and the State Department.

Q So there won't be any misunderstanding, the International News had it in their story this morning.

THE PRESIDENT: That is all right. (Laughter)

Q May we have it as background or off the record?

THE PRESIDENT: Off the record, because it is not in my jurisdiction yet.

Q Would you care to discuss the subject of the French wine and liquor quotas in connection with the same thing?

THE PRESIDENT: I think that is all settled up.

Q I thought there were still some matters in connection with the wine to be settled?

THE PRESIDENT: I do not know; I had an idea it was settled up.

Q When do you intend to make your tariff proposals to the Congress?

THE PRESIDENT: Probably not for some time.

Q Can you tell us anything about war debts?

THE PRESIDENT: About war debts?

Q Yes.

THE PRESIDENT: I am going to say something to Congress later on but I do not know when.

Q Have you anybody preparing material for you on the subject?

THE PRESIDENT: Not for me. I think the Senate passed a Resolution; they wanted the data from the Treasury Department to be given them.

Q Have you any specific message to be sent at an early date for any specific legislation?

THE PRESIDENT: No. In all probability, as background. But only as a probability, and that is that next week there will be some kind of a recommendation -- I don't know whether a message or a letter to the Committee -- in relation to the Farm Credit Administration bonds.

What I would like to do is to consolidate the gains we have already made. You know, last spring we actually took nine money-lending organizations and put them together in the Farm Credit Administration. Now, the last special session authorized them to issue up to two billion dollars in bonds, on which the Government guaranteed the interest but not the principal. Now the question comes up as to whether we should not be honest and face the fact. The fact is that the public and the Congress at some future date, in case these bonds, the principal of these bonds, showed a slight deficiency, the public and the Congress would undoubtedly feel that it was a moral obligation on the part of the Government to make good that deficiency.

There is a very interesting parallel on that. In the State of New York and a number of other states, the state governments created what they called authorities or quasi-public corporations affecting some particular district. These authorities are run by individuals who are named by the state governor and they market out their own securities. They are quasi-public only in the sense that they are created by the state and the state runs them through its own appointee.

Two or three years ago there was in the State of New York what was called a river-regulating district that had been so created to prevent floods in one of the tributaries to the Mohawk River. Theoretically, this river-regulating district corporation was self-liquidating through taxes and assessments on the property benefited. Actually they made a miscalculation and the receipts of the Corporation were not sufficient to pay the interest and retire the annual amount of funds. Thereupon an individual bondholder brought suit against the State and the Court of Appeals of the State of New York held that while the bondholder could not obtain a judgment against the State that there was a moral obligation -- not a legal obligation but a moral obligation -- on the Legislature to make good the deficiency on the bonds. The Legislature recognized that dictum on the part of the Court of Appeals and appropriated the money, thereby making the principal of the bonds good.

Now, as I see it in the case of these Farm Credit bonds, there is the same moral obligation on the part of the Federal Government to make them good in case there is a deficiency. Now, if there is that moral obligation which might arise twenty years or thirty years from now, why, in all common sense, should we not recognize it now. In other words, why not guarantee the principal and the interest of these bonds now. The net result of doing that would actually save the Government a great deal during the present period. It would mean, in effect, that the Farm Credit bonds would be a direct obligation of the Government. They would be just as good and perhaps better than the ordinary Government bonds because they would have real estate behind them besides the Government credit. Of course, that is a thing that I would not emphasize but in any event they are just as good and they would, at the same time, give you the right to go to the bank with them and borrow 100 per cent on them just the same way that you can go to the Federal Reserve Bank and borrow 100 per cent on a Government bond. Immediately they would have a value commensurate with Government bonds, which is around par. Immediately, also, people would take these bonds in lieu of cash. It would mean also that the Farm Credit Corporation can finance itself instead of having to go to the Treasury and getting the Treasury to finance them.

So, in all probability, next week there will be either a letter or a message along that line.

Q Would that apply to Home Loan bonds too?

THE PRESIDENT: I have not taken that up to the point where I can say "Yes" but I think the chances are that it will also apply to Home Loan bonds.

Q The principle is exactly the same?

THE PRESIDENT: The principle is the same. As a matter of fact, the Home Loan bonds carry this interesting statement, I am told -- I never saw one -- that the Government guarantees the interest on these bonds until they are paid. That means, of course, that if it is a 30-year bond and the principal was not paid at the end of thirty years, the Government would keep on paying interest. So, you can see that it is tantamount to a Government guarantee of the principal.

Q There are two billion dollars of Home Owners Loan, are there not?

THE PRESIDENT: Yes, and, as I said in one of my Messages, the way the applications are coming in we think the Congress made a pretty darn good guess as to the total amount that would be needed. We hope there won't be a call for more than the two billion. We think that is the upper limit to meet the needs of the case.

Q Both?

THE PRESIDENT: Both Farm Credit and Home Loan.

Q Congress seems to feel it ought to get together with you on the question of inflation to see if they cannot bring the two factions there more closely together. How does the idea strike you?

THE PRESIDENT: Will you act as the go-between and arrange the meeting? (Laughter) I'd be delighted.

Q One more question about these bonds: Will that extra $4,000,000,000. added in the commitments make any difference in the financing program?

THE PRESIDENT: Not at all.

Q Cannot those bonds be put into the Treasury and currency issued on them under this plan?

THE PRESIDENT: You've got me, Stevie (Mr. Stephenson), I do not know. What -- currency issued against them?

Q I thought they might be.

THE PRESIDENT: What?

Q Discounted by the Federal Reserve?

THE PRESIDENT: You borrow on them, that is a different thing. That is not issuing currency on them. You talk like Senator Thomas. (Laughter)

Q Mr. President, would you explain to a person who does not understand just exactly what you mean by saying that by this guarantee of principal as well as interest the Farm Credit Administration would be able to finance itself instead of going to the Treasury? The point is not quite clear to me.

THE PRESIDENT: For instance, suppose you are the holder of a mortgage on a farm and the farmer wants it refinanced. You have been charging him seven per cent and the farmer thinks it is too darned high and so does everybody else. You are willing to have the mortgage paid off. At the present time the only way in which it can be paid off is to have the Farm Credit Administration take its bonds and go to the Treasury and say, "Give me the money?" That means the Treasury has to raise that money some way. Then the Farm (Credit) people do not give you the actual cash. Under this method you would be entirely willing to accept these good bonds because you can always borrow on them up to one hundred per cent at the bank.

Q In either case, do these bonds constitute a part of the regular debt of the United States?

THE PRESIDENT: Yes and no. It depends on a legal decision that has never been rendered. At the present time it is certainly a moral obligation, from my point of view, on the Government.

Q Would you guarantee all principal for the bonds already outstanding, as well as those to be issued?

THE PRESIDENT: Well, this plan involves creating the machinery of a separate corporation under the Farm Credit Administration. That is merely a pure technicality and that new corporation will actually issue the bonds and take up all those now outstanding. It would mean that the R.F.C. would be repaid whatever it is that they have loaned up to the present time; I think it is $150,000,000.

Q That means taking up all land bank bonds out now?

THE PRESIDENT: Oh, no.

Q These are land bank bonds, these two billions?

THE PRESIDENT: No -- are they land bank bonds?

Q Yes.

THE PRESIDENT: I could not tell you.

Q There are a lot of old bonds out and the new two billions?

THE PRESIDENT: This only applies to the new two billions.

Q Mr. President, do you care to say anything about your plans for raising this $10,000,000,000. in the next six months that you speak of in the Budget Message?

THE PRESIDENT: I will take care of it in normal course.

Q The Home Loan bonds under this proposition would put an end to all objection now by people who are objecting to taking those bonds and would put that outfit right on its feet?

THE PRESIDENT: Yes.

Q Thank you, Mr. President.

(One of the newspaper correspondents asked the President a question about the St. Lawrence River, to which the President did not respond. Another correspondent asked the President about Bob Gore and the President replied that he had not seen him yet.)

CONFIDENTIAL
Press Conference #86,
Executive Offices of the White House,
January 10, 1934, 10.45 A.M.

Q (Mr. Storm) You have got a full house this morning.

THE PRESIDENT: There isn't any news.

Q (Mr. Stephenson) We will find out.

THE PRESIDENT: I tried to invent something but could not do it.

Q (Mr. Young) You did the same thing Friday and it was pretty good.

THE PRESIDENT: Yes, Friday I had a happy thought.

Q (Mr. Stephenson) You told us no news Friday and we filled up the paper.

THE PRESIDENT: Yes, I know it.

MR. DONALDSON: All in.

THE PRESIDENT: Somebody is sure to ask the question -- (interrupted by the noise of a falling object) who died?

Q Just a bottle of rye fell down. (Laughter)

THE PRESIDENT: Only a bottle of rye? (Laughter) Charlie (Mr. Hurd), are you all set?

Q (Mr. Hurd) Go right ahead, sir.

THE PRESIDENT: Somebody is sure to ask a question about the Home Loan bonds. Mr. Fahey was over here yesterday and we agreed that we would say the following: that, obviously, the home bonds will have to be treated on a basis of substantial equality with the farm bonds although they are not in today's Message, which relates only to the farm bonds. The Home Loan Board is now preparing for me a recommendation as to methods of handling some form of guarantee and also certain additional legislation on the Home Owners'

Loan Corporation needs. Mostly, it is clarification stuff. Nothing very important but they think they need a few small amendments in the law.

Q Mr. President, will the Home Loan bonds be guaranteed as to principal?

THE PRESIDENT: That is what they are working on at the present time. All he said is that they should be treated on a basis of substantial equality with the farm bonds.

Q Will there be a Message on that, Mr. President?

THE PRESIDENT: I do not know, Fred (Mr. Storm). I suppose so. It might originate in the Committee, however.

Q How are you coming on the St. Lawrence Message?

THE PRESIDENT: I haven't written the Message as yet. I have to write it right away because I hope to get it up this afternoon if the Senate sits in session long enough.

Q Are you going to take up the diversion of water in Chicago?

THE PRESIDENT: Yes, John (Mr. Boettiger).

Q Can you tell us what it is?

THE PRESIDENT: Yes, I can tell you what it is. You had better hold this until after the Message goes up there, if you don't mind. With that understanding, I would put it this way, generally: That the War Department feels, and everybody else who studied it feels, that the Treaty in its existing form provides for enough water to maintain the flow of Chicago sewers and also such navigation as is desirable between Chicago and the Mississippi. And then, of course, in regard to the lower Mississippi -- this is background stuff for after the Message goes in -- there is a certain amount of what might be called local opposition on the southern end of

Mississippi and around Missouri.

It is not equitable or fair that we should divert water out of the Great Lakes. It can only be done, as a matter of justice, by agreement with Canada. The water is not ours. It belongs to Canada and to us. There is no getting around that fact. We cannot go ahead bluntly and take all the water we want out of the Great Lakes and divert it into a different watershed. It is not a square thing to do to a neighboring country. Whatever diversion we take must come by agreement with Canada, Chicago to the contrary notwithstanding. The general problem of the Mississippi navigation, which is an entirely different watershed, we believe can be solved through this rather broad national planning which I have talked about. It can be solved within the Mississippi watershed itself by the control of waters at the headwaters. That would be by flood prevention and the construction of reservoirs so that we can have a continuous and natural flow through the Mississippi Valley with enough water for adequate navigation purposes.

When it comes down to a question of shipping the products of the Middle West and Northwest, it is very largely a question of mileage. Suppose you want to ship a thing from St. Louis to London, let us say, what is the straight line? Well, the straight line is down to the Great Lakes and out through the Great Lakes to the Atlantic Ocean and then across the Atlantic Ocean. I suppose it might help New Orleans if we went around three sides of the square instead of going straight, but it is "agin" nature. You would have to go down the Mississippi to the Gulf and then you would have to go east through the Cuba channel, and then you would head north to get up to the latitude of London. In other words, it is going around three sides of a square instead of one. Obviously that would apply to wheat from Montana or the Dakotas. The logical outlet is the straight line. It is against nature to have that wheat shipped down to Galveston or Houston and then go around three sides of the square instead of going straight.

That is one of the principal answers to some of the objections to the Treaty. It is the rule of common sense.

Q May we use this for background?

THE PRESIDENT: Yes.

Q Mr. President, does this mean that the Treaty ratification will be advocated on the basis of the present form, then? Do they want any reservations?

THE PRESIDENT: I don't know of any reservations.

Q I think that the Engineers' report showed there has to be more water through the Chicago Canal and the Illinois River, otherwise they will have backwater of the thing?

THE PRESIDENT: There is a new War Department report which covers that pretty well.

Q Is it the one out last month?

THE PRESIDENT: Yes, that one. Has that been released? Have you had it?

Q Yes, sir.

THE PRESIDENT: What does it say?

Q It says that the District and Division Engineers and the Board of Engineers feels that the question should be left with the Chief of Engineers to increase the diversion, if it becomes necessary, and the Chief of Engineers disagreed with all the subordinates.

THE PRESIDENT: I think that is provided for in the Treaty. In other words, the chief objection on the part of the Engineers, even the Sanitary Engineers, is that at certain times of the year there might be a necessity of taking quite a large volume of water over a very short period in order to flush out the Chicago sewage system. Now, in effect, that is provided for in the Treaty.

Q That would take quite a lot of water, wouldn't it?

THE PRESIDENT: I imagine it would. (Laughter) But I think the Canadians would take that into consideration. (Laughter) They know Chicago, too, you know. That is not background. (Laughter)

Q Do I understand, Mr. President, we can use this as background now?

THE PRESIDENT: No, after the Message goes up.

Q Anything further about publication of income taxes?

THE PRESIDENT: I have not thought about it at all. I suppose that will come up in conference with some of the House people and Senate people.

Q Can you tell us the status of the proposed Navy-Coast Guard measure?

THE PRESIDENT: I have not heard anything more about it. I heard in the paper something of a report made.

Q Our trade negotiators are telling us that, as far as they know, after March we shall abandon the liquor embargo system and go to the old system of unrestricted flow?

THE PRESIDENT: I do not know anything about it.

Q The liquor quota system, as far as they know, was only temporary, to end March thirty-first.

THE PRESIDENT: I would be very leary of that. (Laughter)

Q Mr. President, in this milk strike out west there some of the strikers, within the last twenty-four or forty-eight hours, have stopped or waylaid a train, which was interstate commerce, and dumped about 12,000 gallons of milk. That was night before last. Has that been called to your attention?

THE PRESIDENT: No, where was that?

Q It was on the Soo Line between Mundelein, Wisconsin (Illinois?), and a Minnesota town.

THE PRESIDENT: Was it headed for Chicago?

Q Yes, sir; it was between two stops in one state and another.

THE PRESIDENT: I had not heard about it. Who do you suppose would know about that, the Department of Commerce?

Q I imagine it would have been called to their attention, sir.

Q Mr. President, do you favor the amortization of railroad debts through sinking funds as recommended by the Interstate Commerce Commission in its annual report to the Congress?

THE PRESIDENT: Yes, absolutely. One of the chief troubles, of course, with the whole railroad financial problem has been the fact that such a very large proportion of the capital structure has been in the form of a mortgage debt rather than stock.

Last spring, without naming any names of roads, a number of the largest and most important carriers that had been solvent for a great many years were faced with receivership and if the conditions of the first three months had continued they would probably, as we know now -- I don't think there is any particular reason why it should not be stated as a fact that six months would have seen receiverships for a number of the major roads of the United States.

Of course, that would have been caused by their inability to meet the interest on their mortgage debts, which, in many cases, ran as high as 50 to 60% of their entire capital structure. It has been the history of railroading in this country -- it is the old school of thought -- that when a mortgage becomes due, when the life of a bond issue came to an end, instead of paying it off out of a sinking fund or instead of amortizing it over a period of years, the railroads would refund the debt by borrowing an equal amount of money and extending the debt for thirty years or fifty years, or something like that.

One of the best illustrations is the road running past our place in Hyde Park, built in 1841. They issued, for the construction of the Hudson River Railroad, seven per cent gold bonds. I think they were thirty-year bonds, but they never established a sinking fund and, when 1871 came along, they refunded by another issue of thirty-year bonds, and when those came due they refunded that with another issue, and then finally, when the market was good, around 1911 or 1912, they refunded with a new issue which, if I remember it correctly, was due in the year 2001.

In effect, there was a debt for the construction of a railroad which was incurred in 1841, and they never paid off a cent of it, and it has now been extended so that it may be paid in the year 2001. In other words, it is just borrowing from John in order to pay Paul, or something like that. Most people today feel that the Interstate Commerce Commission is dead right in demanding, as a broad principle, that the railroads, as fast as it is financially possible for them to do so, should set up sinking funds for annual payments of some kind out of earnings, so as to pay off an incurred mortgage obligation when it falls due.

Going back again to the situation last spring which I was talking about, these major railroads faced difficulties because they had not made enough money to pay the interest on their mortgage debts. In most cases, if their mortgage debt had been a great deal lower in proportion to their capital, they would have had enough money to get by with. In other words, if stock has replaced that mortgage debt, assuming that the total capitalization was correct, if stock had replaced that mortgage debt, all they would have done would be to pass the dividend on to stocks. That does not throw any corporation into bankruptcy.

So I think the tendency is going to be -- and I think it is from the viewpoint of sound financing of public utilities -- that from now on they will make every effort to set up some fund for amortization.

Now that means, to be fair to the railroads, that regulatory bodies like the Interstate Commerce Commission and other utility commissions of states, ought to seek in their decisions and orders to make it possible for the utilities to earn enough to set up this sinking fund or amortization fund. That is only fair.

Q Would you set up the amortization out of earnings or out of operating expenses?

THE PRESIDENT: That is a technical question which I cannot answer; I don't know. It is about as long as it is short, isn't it?

Q The railroads favor it to come out of operating expenses.

Q In view of what you said about railroads, does the same thing apply to public utilities?

THE PRESIDENT: On public utilities?

Q Telephones and everything?

THE PRESIDENT: Yes.

Q On the liquor situation, is it a good guess that we shall continue to insist on concessions from countries abroad in return for imports into this country?

THE PRESIDENT: I do not know. We are going ahead on the present basis for a three-months period, or something like that --

Q (interposing) It is a four-months period.

THE PRESIDENT: And we have not taken up what we will do at the end of the period.

Q Any comments on the situation with Russia? Could you lead us in any fashion in our United States-Russia stories which are coming to the front all the time?

THE PRESIDENT: I don't think there is any news outside of receiving the Ambassador. You had better go and see Bill Bullitt.

Q He is quite quiet.

THE PRESIDENT: The only thing I have talked to Ambassador Bullitt about is what we are going to do about housing.

Q Mr. President, is there any progress in setting up some corporation or other organization to trade with Russia?

THE PRESIDENT: No. There is nothing more on that. I do not believe there will be very much in the way of news of any export corporation or export plan until the Secretary of State gets back. We want him back here before we get any very definite plan.

Q When do you expect him?

THE PRESIDENT: About the twenty-fifth.

Q Comptroller Tremaine (Morris S. Tremaine) of New York State conferred the other day with the Tax Board on making warrants and certain securities of states and cities discountable with the Federal Reserve Board.

THE PRESIDENT: Who did, Broderick?

Q Tremaine, of the New York State Board.

THE PRESIDENT: New York City and other cities?

Q I believe the proposition is that where the taxes had been in arrears in previous years, they would still have a certain percentage discountable with the Federal Reserve System, which would unfreeze a lot of notes now lying around in banks.

THE PRESIDENT: I had not heard anything about it. As a matter of fact, the tax arrear payments are coming along pretty well in most of the New York cities.

Q This would not apply only to New York but all over the country.

THE PRESIDENT: Yes, even over the country they are beginning to pay arrearages.

Q Where can I get any figures on that, do you know?

THE PRESIDENT: I do not know.

Q There was a suggestion at Mr. Ickes' conference yesterday that you might ask Congress for further appropriations on the Public Works program. Can you enlighten us a little on that?

THE PRESIDENT: Only what I told you before, the $1,166,000,000. that will be going up sometime soon and the $2,000,000,000. fund, the allocation of which we are not certain about yet, for the following fiscal year. That is as far as we got.

Q Coming back for a moment to this question of setting up a sinking fund, you said that as far as possible regulatory bodies should seek to make possible such payments. Does that involve the idea that in specific instances it might be advisable or necessary to increase rates to make possible such payments? Do you think that would be possible?

THE PRESIDENT: Let's put it the other way around: In the reduction of rates, they should not be reduced so as to make it impossible.

MR. EARLY: Let's go.

CONFIDENTIAL
Press Conference #87,
Executive Offices of the White House,
January 12, 1934, 4.12 P.M.

THE PRESIDENT: The only news is that the duck season is coming to an end. Mr. Early has left and at his suggestion we had better put the lid on until Monday or somewhere along that.

Q Mr. President, did you have a conference today on the Weirton case with the Attorney General and others?

THE PRESIDENT: Just one for the facts in the case. Nothing decided.

Q No decision?

THE PRESIDENT: No.

Q Mr. President, is there anything new on the monetary situation?

THE PRESIDENT: Not a thing. We continue to discuss it as usual.

Q Has the Attorney General submitted an opinion as to whether legislation will be necessary to take the gold from the Federal Reserve Banks in the event of deflation?

THE PRESIDENT: I have not had an Attorney General's opinion on that subject since the silver purchase.

Q There has been a report around Capitol Hill that some of them are expecting you to address a joint session on Monday on a topic undefined?

THE PRESIDENT: Nothing at all.

Q Also a report that you plan to issue a monetary statement? (Laughter) (The President did not answer the question.)

Q Mr. President, is there anything to say about the proposed reduction of the forty-hour week that General Johnson has been saying a little about?

THE PRESIDENT: I meant to ask him about it when he was here this morning and I forgot.

I think if you were to go and see Assistant Secretary Moore you could get a story out of him. I got this at the Diplomatic Dinner last night. You know there has been some discussion between us and Great Britain about swapping pork for liquor, and apparently Mr. Moore sent a very, very good Virginia ham to the British Ambassador and he got back a bottle of Scotch. (Laughter)

Q Mr. President, have you sufficient authority under the Thomas Amendment to withdraw this Federal Reserve gold?

THE PRESIDENT: Oh, I think so.

Q What was the answer to that?

THE PRESIDENT: I think -- I do not think there is any question of the Executive authority to take all the gold in the country.

Q Through the Secretary of the Treasury?

THE PRESIDENT: Yes, I think so. I do not remember the exact method; I suppose it is the Secretary of the Treasury.

Q Do you intend to do that?

THE PRESIDENT: Oh, heavens! (Laughter)

Q In regard to the question about the possibility that you will address the Joint Congress, does that apply over the week end to any radio addresses?

THE PRESIDENT: I am not making any speeches over the week end; in fact, I do not think I have any speeches listed for any date in the future.

Q Do you care to tell us anything about the Congressional delegation that came up here to save the Coast Guard from the Navy merger?

THE PRESIDENT: I told them that nothing had been decided about it.

THE PRESIDENT: No, that is something I cannot tell you, even as background. You will have to find out from the State Department. I can only give you a suggestion as to what it is about because I don't remember who it was that sent the proposal in here. They wanted to have -- I don't know whether it came from England or France or somewhere across the ocean -- but they suggested a preliminary conference that would not be final for anybody, just to discuss the general world sugar situation. You had better find out from the State Department about it. I don't see any reason why it should not be made public. We said we would be glad to talk things over with anybody. It is only a preliminary thing to see whether it is worth while having a later conference looking towards an agreement.

Q Mr. President, there are widespread reports to the effect that the Administration is considering the establishing of a central bank. Can you tell us anything about that?

THE PRESIDENT: That is a new one on me. I think it is a rotten guess.

Q Mr. President, --

THE PRESIDENT: (interposing) I would be doing the opposite of Andrew Jackson. He abolished it.

Q Are you planning any conferences on the 30-hour week with the advocates of it in Congress?

THE PRESIDENT: No. It has not come up at all. I meant to talk to Hugh Johnson about it this morning and forgot to talk about it.

Q I meant the Congressional end?

THE PRESIDENT: No.

Q Can you tell us anything about your war debt message?

Q Nothing decided?

THE PRESIDENT: No.

Q Mr. President, have you had any conferences with Senator Wagner? Is there anything you can tell us on that subject regarding making the Labor Board permanent by legislation?

THE PRESIDENT: We have not got to that. We only talked about the facts in the Weirton case this morning.

Q The Senator has some bills?

THE PRESIDENT: He told me he was working on the legislative end of the thing.

Q Any thought of recommendations?

THE PRESIDENT: No, because he is not ready yet.

Q Have you heard from John Fahey about the Home Owners' Loan recommendation he was going to prepare for you?

THE PRESIDENT: No, not a word.

Q What is the situation in the bituminous coal controversy -- the Captive Mine situation?

THE PRESIDENT: I do not think that has come up at all. You see, the Weirton case is under the Steel Code.

Q Mr. Lane and his assistants were in yesterday and I thought something new had developed.

THE PRESIDENT: I did not see them.

Q They were here while you were out.

MR. McINTYRE: They were here to extend an invitation to you to attend their Annual Convention next month, that is all.

THE PRESIDENT: Did Mac say that with a straight face? (Laughter)

Q Is a sugar conference in contemplation?

THE PRESIDENT: No. It will go in sometime -- I haven't even got any idea of whether it will be in the next two weeks or the next two months.

Q What about your tariff Message?

THE PRESIDENT: I think you could make a pretty good guess on the tariff Message, that there won't be anything done on tariff until the Secretary of State gets back, which will be inside of two weeks. He ought to be here by the twenty-fifth.

Q Any consideration of opening postal deposits to checking accounts?

THE PRESIDENT: Only what you read in the paper. We have not discussed it at all.

Q There is a lot in the papers these days. (Laughter)

Q Mr. President, can you tell us anything about the Japanese landing tuna fish under the N.R.A. label? (Laughter)

THE PRESIDENT: I forgot to ask about that too. I read that in the paper.

Q Would you care to make any comment on the flight to Hawaii by the Navy planes?

THE PRESIDENT: I sent them a message of congratulations.

Q Have you heard anything, Mr. President, from the Senate on the St. Lawrence Treaty?

THE PRESIDENT: No, what happened to it?

Q They talked all day.

Q They recessed until Monday, Mr. President.

THE PRESIDENT: Fine.

Q Have you seen Hiram Johnson's Resolution?

THE PRESIDENT: I have not seen it. I sent for it and I do not know which one it was. He had two.

Q This one is to bar the purchase of securities from countries which have not paid their debts.

THE PRESIDENT: I have not seen it.

Q Thank you, Mr. President.

THE PRESIDENT: I am sorry there isn't any more news.

CONFIDENTIAL
Press Conference #88,
Executive Offices of the White House,
January 15, 1934, 10.40 A.M.

(This Press Conference was held for the financial experts in order to explain the President's Message of January 15, 1934, to the Congress)

THE PRESIDENT: Are these the only people out of all the White House correspondents who know anything about finance? (Laughter)

Q We are the only ones who admit that we do not. (Laughter)

THE PRESIDENT: The easiest way, I think, is for me to read this release to you.

MR. EARLY: They already have it.

THE PRESIDENT: I just want to say one or two things. In the first place, Steve (Mr. Early) wanted me to stress that all this is in confidence until the Message is released and nothing is to be said in advance of the release.

Q By the way, when will the release be made?

THE PRESIDENT: As soon as it gets up there to Congress. I don't know whether it is released up there before it is read by the Clerk or not, but I see by the heading "until its reading has begun in the Senate or in the House."

Now, in a nutshell, the first portion of this, down to the first line, might be called philosophical. In other words, it merely goes into the general theory that the issuance of money or currency or any medium of exchange is solely a government prerogative and always has been since the days of Babylon or the time they used sea shells or coral shells in the South Sea Islands. In theory, coral shells are a perfectly good medium of exchange, perfectly good money as such, provided there is control over them. It becomes a question of control and because of the lack of assurance of control throughout history, it has always been, for the sake of stability, advisable to have some basis behind the currency which, as a matter of practical fact through the ages, has been the precious metals, gold and silver. We do not have to go on further with that.

Q Might we assume that that is an argument against greenbacks? What you have just stated?

THE PRESIDENT: It certainly is an argument against starting of the printing presses. On the other hand, of course, as you know, there has been a very great difference of opinion as to what is a greenback and what is not a greenback. If we were to start tomorrow, this is the easiest illustration, to pay off the deficit of this year just by printing greenbacks, that would be greenbacks, there is no question about that.

On the other hand, a limited amount of non-interest bearing five and ten dollar bonds to retire an outstanding debt and with provision for retirement of those new non-interest bearing bonds would not be greenbacks.

What people fear about greenbacks is, of course, that some future Congress may take off the limit -- take off the lid.

Then we come down to the next point which is the taking of the title of the gold in the Government and that follows out logically the theory that the Government is entitled to control the basis behind all currency.

Then the third point is the establishment of an upper limit within which I have to act. By that I mean that I could not stabilize at above 60 if this is put through. This does not stabilize at 60. It still leaves me free to stabilize between 50 and 60.

And -- this is just for information because I have noted one or two stories -- there has been absolutely no doubt from the legal point of view of the authority under the previous act to stabilize more than once and to put it at 50 or 60 or anything else I want, as often as I want.

Q What Act is that?

THE PRESIDENT: Oh, last spring; the Banking Bill.

Q Yes.

Q This is a 40 per cent deflation by enactment of Congress?

THE PRESIDENT: No, it is not. That is exactly what it is not. Congress has said that I may devalue as low as 60. Now I am asking them to give me authority to devalue by not less than 40.

Q This is a further limitation on your power but does not require you to do anything?

THE PRESIDENT: Today I can revalue between 100 and 50 and I am asking them to limit my power so that I can only revalue between 50 and 60.

Q Then, until you devalue you merely do not have to revalue at all?

THE PRESIDENT: No, but if I revalue I won't be able to revalue higher than 60 or lower than 50. This is a 10-cent leeway.

Then the third point in that same paragraph, it would set up a fund of two billion dollars for the purchase and sale of gold, foreign exchange and Government securities.

Q Might that be called a stabilization fund?

THE PRESIDENT: Well, that is only part of it.

Q Isn't that, Mr. President, the commodity dollar feature?

THE PRESIDENT: It is the tieing in of certain powers that we have at the present time. For instance, the buying of gold and silver through the R.F.C., it is to simplify that procedure. It is to keep this fund intact in the Treasury so as to stabilize, insofar as possible, foreign exchange.

Q The point I had in mind was this, that this would permit you to deal with foreign exchange without definitely fixing, permanently, the value of the dollar.

THE PRESIDENT: Let me give you a little background on this particular thing, because I think it is important. Last spring things went up much too fast in this country. Wheat went up to $1.25 which, undoubtedly, was altogether too high. That was caused by speculation and a great many manufacturers overproduced, the steel companies overproduced, the textile people overproduced, for various reasons, trying to get in under the wire before the Code went into effect. The result was a perfectly natural one. There was quite a big drop in commodity prices of all kinds around the middle of July. That was a perfectly healthy thing. But a little bit later on, somewhere around September, there began a very definite drift of commodity prices downward. That was caused by a great many factors. It was caused by people who did not approve of N.R.A. Codes, it was caused by some of our foreign friends who were deliberately trying to increase the exchange value of the dollar and decrease the exchange value of the franc -- there were a good many foreign elements that entered into it.

The result was that by the tenth or fifteenth of October we were in a definite downward drift which, if carried out, would have been a serious thing. Wheat, which should have a normal value of 85 or 90 cents had gotten down to 60. Cotton had gotten down to below 9 cents a pound and there was a rather determined drive against prices. The whole line was down. That was when we took action on gold. I have forgotten what gold was at that particular point, it was around 4.60 as I remember it. It was around 4.60 and the tendency was for it to go to 4.50, 4.40 or 4.30 and, perhaps eventually because of the pressure on the other side, if left alone might have gone back to the figure that the British Treasury and the Bank of England, away back last May and June, were taking as the stabilization figure, about 3.90 to the pound.

We then started to purchase gold. There are various ways of maintaining foreign exchange. You can either purchase bills of exchange, et cetera, or actually buy the gold. This move today was in prospect at that time and obviously it was to the interest of the United States to buy gold. So we bought gold and have been buying it ever since in fairly large quantities and the result has been that the exchange has gone up to well over five dollars and has maintained itself there largely because of the American purchase of gold.

It has, I think, been felt by people on the other side as well as here that if we had not pursued the gold purchase policy, the actual exchange value rate on gold would be 4 and something instead of 5 and something.

The other result of maintaining the dollar-pound and dollar-franc ratio as high as it has been has shown itself in our ability to get rid of a great many of our export surpluses. Cotton has been moving out. Of course, you know our objective is to eliminate the very large surplus which has been overhanging the domestic prices. The same thing applies to wheat and everything else. Our one objective was to get rid of the surpluses. We got rid of a great deal of cotton and we got rid of a great deal of copper, for instance. At the same time the import trade has increased enormously during the past three months since the dollar has gone down in terms of pounds. The result has been a very excellent one from a general economic domestic point of view.

This revaluation of not more than 60 per cent and not below 50 per cent should enable us to maintain a fairly reasonable exchange ratio with other nations. The reason it has to be done this way is what I said in the Message to Congress, that there is at the present time no willingness on the part of the other nations to go ahead and go back on a fixed basis. In other words, to put it the other way around, Great Britain has been pursuing what you call the Professor Warren theory for perhaps two and a half years. That is the thing that some of our people forget very definitely. They have a managed pound, absolutely managed, far more so than we have ever thought of managing the dollar.

Q Does that indicate that an open gold market in the United States will be established? It talks about --

THE PRESIDENT: I don't know. Of course there has been talk about an open gold market. That is one of the mechanics of the situation.

I don't know. There is no immediate prospect.

Q What is the purpose of purchasing Government securities along with gold and exchange?

THE PRESIDENT: I suppose the easiest way to answer that, the purchase of Government securities, is to ask the question, "Is it right or proper that a handful of people who did not happen to like what was going on or who wanted to use a club in order to get something of their own through -- that such private individuals should have the right, without check, at their own sweet will, to dump Government bonds into the market and articifially depreciate the price of Government bonds? Is it moral that private individuals should have that right?"

Q Was there short selling of Government bonds?

THE PRESIDENT: I couldn't tell you whether it was short selling or not but there were, undoubtedly, certain individuals -- this does not by any means apply to the overwhelming majority of the bankers in the United States -- but there were individuals who recommended to their clients that they should get rid of Government bonds and in most of those cases there were ulterior motives.

Now, the fact that the Government would be given the right to purchase Government bonds means that a private effort of that kind could be checkmated right away. This is protective armor for any Government and we ought to have it.

Q Does the setting up of that two billion dollar fund depend on the profits of revaluation?

THE PRESIDENT: Yes.

Q Until you definitely revalue, there will be no profits, however?

THE PRESIDENT: No, it is out of the profits.

Q When do you need the fund?

THE PRESIDENT: No, we haven't gotten to that yet.

Q Do you contemplate, as soon as this bill is passed, very promptly thereafter, immediately, issuing a revaluation proclamation?

THE PRESIDENT: We haven't come to that yet.

The last part relates to silver -- expresses the thought that silver has also been used from time immemorial as a metallic base and that it is still used by half the population of the world as such; that it is used by us and is a crucial factor in international trade and that it cannot be neglected. Further on I say that Governments can well employ silver as a basis for currency and I look for a greatly increased use. I also describe the existing situation with respect to the agreement among the sixty-six nations and the fact that we have put our part into effect. I also say that I am withholding any recommendations to the Congress at this time for further extension because I want to know the results of the London agreement and the results of the rest of our monetary measures.

Q Can you tell us anything about the legislation that is to be offered in connection with this?

THE PRESIDENT: There has been drafted what might be called a purely tentative method of arriving at the things recommended in the Message. I am perfectly frank in telling you that I haven't even read it. In other words, it is to save the committees trouble and give them something to chew on in order to carry out the recommendations. It is not an Administration bill. It is just to help the committees.

Q On this gold policy, there is no thought in mind of the Treasury, with its gold stocks, issuing money on the basis of 40 per cent reserve?

THE PRESIDENT: No. The idea is, of course, that for this money turned in the Federal Reserve Banks are given certificates that there is gold in the Treasury, dollar for dollar, and that on those certificates the Federal Reserve Banks can issue their own currency to their member banks.

Q Do you look for any immediate effect on domestic prices from the mere passage of this legislation?

THE PRESIDENT: I don't know; I have no idea.

Q The profit from this operation clearly is to go to the Treasury?

THE PRESIDENT: Yes. Right on that point, there has been a divergence of opinion amongst some of the bankers -- not by any means all -- and on the part of a few politicians who have wondered whether the Government had any right to take this profit or whether the profit should accrue to the stockholders of the banks. Of course, so far as I can see, there is no question on that at all. We asked individuals to turn in their gold and get paper money on it. We also asked all the corporations to do it and substantially all came across and did as requested. I cannot see a great deal of difference between a bank and a private corporation. The constituent bank is owned by private individuals and if we were to pursue that policy of letting the stockholders of the banks take this profit, it would mean that the Government was handing them a great big Christmas present.

I was very careful to point out in this message that such legislation places the right, title and ownership of our gold reserves in the Government itself. It makes clear the Government's ownership of any added dollar value of the country's stock of gold which would result from any decrease of the gold content of the dollar which may be made in the public interest.

But, in order to be fair, I pointed out that the Government would lose such dollar value if the public interest in the future should require an increase in the amount of gold designated as a dollar.

Q It is your idea to have a permanent policy, retaining the limits within the 50 and 60, revaluing within those limits from time to time?

THE PRESIDENT: As far as any human being can say "permanent."

Q And continue to hold all the gold?

THE PRESIDENT: Certainly, to hold all the gold.

Q If you issue dollar for dollar, that is, under the old Gold Certificate Act --

THE PRESIDENT: (interposing) No, it would be under the new act.

Q Well, it is similar to that. Isn't the gold, in effect, then left in the Federal Reserve and their profits -- that it is still within the Federal Reserve System as profits of the bank?

THE PRESIDENT: Oh, no. They get a piece of paper under this which says that there is in the Treasury, say on a $10. certificate, that there is in the Treasury $10. worth of gold. It does not say how much gold or grains or anything like that.

Now, on that certificate which will be held by the Federal Reserve Bank on behalf of the member banks, the banks will issue currency on the 100 to 40 basis. Is that right, Henry?

SECRETARY MORGENTHAU: Yes.

Q Then the Federal Reserve Banks would have authority to issue their notes against that gold?

THE PRESIDENT: It depends on what you revalue at.

Q This would not increase the currency issuing power of the Federal Reserve at all?

THE PRESIDENT: The thing to remember is that every bank statement -- the statements of the member banks, the state banks, and the twelve Federal Reserve Banks, their statements are in terms of dollars and there is absolutely no change in their statements. It does not give them less reserve or more. They have the same number of dollars.

Q Would you mind phrasing in words of one syllable to millions of unlettered people, to most of whom this would be Greek, how the Government would derive these profits that there is so much talk about?

THE PRESIDENT: Let's put it this way: We have been trying to bring the purchasing power of the dollar back, approximately, to the level in which the average of the debts of the country were incurred so that the average of people can pay off those debts in a dollar that has approximately that same purchasing power. Because of that, one method -- the most practical method of doing it, is to cut the theoretical gold content of the dollar. Now, you can only make that practical and fair if the Government has all the gold. The number of dollars in the banks of the country will be exactly the same as they were before and the Government will have -- as the currency issuing power, will have the same weight of gold in the Treasury but actually, in terms of dollars for the Treasury, that will represent 80 per cent more or 100 per cent more depending on what we revalue at.

Q Have you estimated the profits in terms of dollars?

THE PRESIDENT: There will be, therefore, a nominal profit to the Government of somewhere between 3 billion 400 million and 4 billion 200 million depending on what we revalue at. Is that about right?

SECRETARY MORGENTHAU: Yes, sir.

Q That is between 50 and 60 per cent?

THE PRESIDENT: Yes.

Q That is the rate between 50 and 60?

THE PRESIDENT: Yes.

Now, there is one other thing. Of course, in terms of foreign exchange, the dollar is today, in terms of gold, worth only about 63 cents.

Q How much?

THE PRESIDENT: About 63 cents.

Q Can you make any use of this profit other than the two billion dollar fund you set up?

THE PRESIDENT: That is for the future.

Q Have you any authority to issue currency against it?

THE PRESIDENT: No.

Q And the profit does not represent a base of currency in the Federal Reserve?

THE PRESIDENT: No. We keep it in the Treasury.

Now, off the record, just for your information -- I have to keep it off the record because it involves another branch of the

Government -- we do not intend to encourage Congress to spend the billions of the profit. (Laughter)

Q If anything like that were done, it would be up to Congress to take action?

THE PRESIDENT: We asked them to take action on the two billions.

Q Congress would have to pass further legislation if you wanted to make use of the profit?

THE PRESIDENT: Yes.

Q Do you hope that this will encourage international stabilization?

THE PRESIDENT: I hope so.

Q If you use a bullion system --

THE PRESIDENT: (interposing) This is a bullion system. We will not coin any gold coins except such as might be necessary to make up small amounts less than a bar of gold. Loose change.

Q In other words, I don't see how you can make an artificial gold price effective unless exchangeable in some form.

THE PRESIDENT: The bullion and small change would be used for foreign settlements. Those take place every six months or a year.

Q Did you say that the export embargo was removed?

THE PRESIDENT: No, no. Of course, after the whole system gets into bullion, obviously the export embargo would be removed to the extent that if we do have an unfavorable trade balance at the end of the period, we would ship out bullion to pay unfavorable trade balances.

Q There is no relaxation of the order, then?

THE PRESIDENT: No.

Q Everybody in the country is wanting to know how it is going to affect him.

THE PRESIDENT: How?

Q He wants to know whether it is going to increase his buying power or increase his wages -- how much it is going to be felt.

THE PRESIDENT: Probably very little. Probably certain commodity prices will go up to a certain extent and it will enable people, knowing that Congress has said between 50 and 60, it will enable people to make contracts ahead with far greater assurance than at the present time, because today it is between 50 and 100.

Q And now it will be definitely between 50 and 60?

THE PRESIDENT: That bill makes it between 50 and 60.

CONFIDENTIAL
Press Conference #89,
Executive Offices of the White House,
January 17, 1934, 10.45 A.M.

THE PRESIDENT: Too much musicale last night.

Q (Mr. Storm) Have a crowd?

THE PRESIDENT: No, had a boy violinist and a lady who recited. Acute indigestion most of the night. (Laughter) I don't know whether it was cause and effect or not. (Laughter)

Q Looks like a clear desk this morning, Mr. President.

THE PRESIDENT: The way they keep coming in one would think there was some news. There isn't any. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: All right, go ahead and ask questions. It is a dull day and I think it may rain. That is all I know.

Q The sun is shining out there.

Q You are unduly optimistic.

THE PRESIDENT: Anything doing for the District of Columbia?

Q I don't know.

THE PRESIDENT: What vacancies have I got left?

Q The Public Utilities Commission and Judge of the Municipal Court.

THE PRESIDENT: Is that the lady I appointed and she could not take office?

Q No, that is another one.

THE PRESIDENT: What has happened? (Laughter)

Q Her time expires January twenty-second.

THE PRESIDENT: I will make a note of it.

Q And the Public Utilities Commissioner?

THE PRESIDENT: I am trying to find somebody right now. Have you any ideas?

Q I have indeed. (Laughter) A very good man and a very good lady, too.

Q Mr. President, do you care to discuss public reaction to your gold message?

THE PRESIDENT: I have not read the papers yet. (Laughter)

Q Mr. President, there seems to be considerable complaint around the country that wages paid to C.W.A. workers in some instances are considerably higher than wages paid under the codes and prevailing wages paid. Has there been any discussion or consideration of a revision or anything of that sort, or have those complaints come to you?

THE PRESIDENT: Only from Harry Hopkins. He told me about them and he said there have been complaints from certain parts of the country, as you say, and he is working on the possibility of cutting the number of hours where the existing scale does give more than the going rate in the locality. I do not know whether he has worked out the plan yet and is putting it into effect but the result would be to give a slightly smaller total for the week's work by working less hours. He was working on it. I do not know whether it is done or no[illegible]

Q We have heard complaints of people who quit jobs in private industry and laid off for a week or two and got on the C.W.A.

THE PRESIDENT: There have been things of that kind and because the C.W.A. is handled entirely by local relief organizations so far as the names go, there are difficulties in places where there are no local relief organizations. For example, you take the State of Georgia, there are quite a lot of counties in the State of Georgia that have no relief organizations and, therefore, no relief rolls.

Q On that same question, how about the compensation of war veterans who are on the C.W.A. pay roll?

THE PRESIDENT: You mean as to the legal conflict of their getting two pays?

Q Two pays, yes. I understand you have an Executive Order more or less prepared on that subject.

THE PRESIDENT: It has not come back. There is one in preparation.

Q Mr. President, quite a few of us have been writing stories about the activities of National Committeemen practicing before the Departments, and some have gone so far as to say that it is embarrassing the Administration. Have you anything to say on that?

THE PRESIDENT: I think if we can avoid reference to individuals, it is all right to talk about the general principle. I have felt all along that it is not quite in accord with the spirit of the Administration that any individual who holds a high Party position, such as National Committeeman, should earn a livelihood by practicing law, because, in a sense, he holds himself out as having access to the back door of the Administration. It just is not done. That is strictly true. It has been done and it ought not to be done.

Q Mr. President, is there anything you can tell us in connection with the Iowa situation that seems to be heading up today? The Public Works Administrator was fired out there.

THE PRESIDENT: The Attorney General -- I asked him on the telephone -- the District Attorney is arriving here to talk it over with the Department (of Justice) and I imagine the Department (of Justice) will be largely guided by the recommendation of the District Attorney.

Q He was ready to lay it before the Grand Jury when he was called down here. He had eighty witnesses.

THE PRESIDENT: I understand there are two stories on that. I do not know the actual facts as to whether he was ready or wanted to talk it over with us first. I think you had better check on it over there.

Q Mr. President, can you tell us anything as to when the war debt Message will be ready?

THE PRESIDENT: I will make a pretty long guess on that. I should say not for a month.

Q Mr. President, did you inquire specifically into the constitutionality of the so-called compensation law before?

THE PRESIDENT: Which one?

Q The matter that the Senate Committee took up yesterday?

THE PRESIDENT: The due process of law thing?

Q Yes.

THE PRESIDENT: Oh, yes; the Attorney General is perfectly definite on that.

Q He has already given you his opinion?

THE PRESIDENT: He gave us an oral opinion on it as far back as the time we went off gold, last April. I do not know whether he gave a written opinion at that time or not -- I think he did -- so far as private individuals or corporations went. He has been perfectly clear on the thing all the way through.

Q How about the Newspaper Code, Mr. President?

THE PRESIDENT: I have not got to it yet. It is sitting beside my desk in the White House.

Q Mr. President, is it a good guess that the war debt Message will contain a recommendation for reduction of armaments?

THE PRESIDENT: I have no idea. I have not taken it up at all.

Q Mr. President, can you tell us the status of negotiations with England?

THE PRESIDENT: I have not talked with Phillips (Under Secretary of State) about it for ten days. I do not know exactly how far they have got.

Q Are you seeking any understanding with Great Britain on the currency and monetary program?

THE PRESIDENT: No.

Q Or on trade?

THE PRESIDENT: No. The only thing I know about is the big whiskey deal. (Laughter)

Q Is the whiskey coming in?

THE PRESIDENT: Yes, and the pigs are going out.

Q There have been reports published this morning to the effect that the Administration has undertaken conversation with Great Britain to avoid any sort of possible conflict of stabilization funds?

THE PRESIDENT: No, nothing on it. No communications at all.

Q Mr. President, is there anything you can tell us in the way of new developments in the Weirton case on which you had a conference just prior to the last Press Conference?

THE PRESIDENT: I do not think there is anything can be printed on that. I saw Weir on that the other day and had a talk with him about it, more along the broad line of some effort on his part to eliminate the present feeling on the part of some people who claim that the election was not fairly held. They are going to have further conferences. There isn't anything more than that at the present time.

Q Did he indicate he would accede to a second election?

THE PRESIDENT: No, hadn't got as far as that. Talked about the particular objective.

Q Ireland is sending over the head of its Department of Commerce to talk the possibility of reciprocal trade agreements with us. Can such an agreement be drawn by you or must there be a tariff Message to the Congress?

THE PRESIDENT: I do not know. That is the first I heard of it.

Q I wonder if the Administration has any objections to the State Department going ahead with it?

THE PRESIDENT: No. Tell me, can we enter into a trade agreement with Ireland without the consent of Great Britain?

Q I think so. Ireland claims they can. (Laughter)

Q Would you care to discuss Senator Johnson's bill for trading with countries who are in debt with us?

THE PRESIDENT: I think you had better lay off that for a while. (Laughter)

Q What will be the subject of your next special Message to the Congress?

THE PRESIDENT: I haven't any Messages in mind at the present time, not a single one.

Q I wondered what you are working on in preparing this legislative program?

THE PRESIDENT: I imagine the next thing that will go up will be that appropriation of $1,166,000,000. to carry us through until the first of July, because there is real need of getting that through before the tenth of February. Hopkins' appropriation will be exhausted on the eleventh of February. He won't have any more money.

Q Has Secretary Dickinson's report on the regulation of stock exchanges reached you?

THE PRESIDENT: I spoke to Dan Roper and he expected to have it in two or three days.

Q Have you had a chance to talk about a new governor for Hawaii?

THE PRESIDENT: No. Off the record, for your information, we had a man picked and he could not take it, so we are just where we were before.

Q Will you favor legislation for the regulation of motor vehicles on the highways at this session, such as the Rayburn Bill?

THE PRESIDENT: I don't know. I frankly haven't gone into it at all. It is a difficult subject, and Commissioner Eastman is not ready to report. I asked him yesterday in the Council meeting to come in some time in the course of the next week and talk over legislation. He said he is not ready to make any recommendations as yet.

Q That means legislation?

THE PRESIDENT: On the whole transportation problems, transportation of all kinds. Remember we had it in mind. There is no particular secret about it. It follows the Salt Lake City speech. It is to try to consolidate control of all transportation into probably the

Interstate Commerce Commission. That would include motor buses and trucks and waterways and railroads.

Q Waterways in and outside the country, like the Panama Canal?

THE PRESIDENT: No, not the Panama Canal. I would not say that categorically. I suppose it might include the Panama Canal, since it competes with railroads on U. S. shipping from one port to the other. I guess it would.

Q Any phase of the Cuban mess you can discuss?

THE PRESIDENT: No, it moves too fast for me. I haven't heard this morning.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #90,
Executive Offices of the White House,
January 19, 1934, 4.18 P.M.

THE PRESIDENT: I will have to confess that I was entirely ignorant of the fact that you were outside. I was talking to the Secretary of the Interior about the Ogdensburg Bridge, one of my old favorites. Do you remember, Fred (Mr. Storm)?

Q (Mr. Storm) Yes, I do.

MR. DONALDSON: All in.

THE PRESIDENT: I think you all got this veterans release. It has been in effect these last three months and it is just carrying out what we have been doing ever since last spring, correcting under the Executive Order what seemed to be inequalities. I have got the totals. I think Steve (Mr. Early) has given the breakdown of the $21,000,000. of additional cost to some of you; if not, they are all here in the tables. The increase from $90. to $100. a month is about $8,000,000. The liberalization of the eligibility roll on hospital treatments amounts to about $8,000,000. The $15. a month Spanish War is about $2,000,000.; there are a very small number of the Spanish War people left and they were only sixteen or seventeen years old when they enlisted. There are only seven or eight thousand of them left, and the burial and funeral allowance is about $1,250,000. The war veterans coming under the ninety-day service clause, $204,000. The widows, $470,000. The Federal employees clause, $1,250,000. The renouncement of pensions, no cost. The total is $21,000,000., all of which come within the terms of the policy outlined in the Chicago speech and do not go beyond it. I think you can make a pretty good guess that I won't go beyond it. In other words, we will stay tight on the Chicago policy.

Q What about Federal employees? There has been a lot of talk in the local papers about it.

THE PRESIDENT: I do not know what has been happening up there on it.

Q Mr. President, can you tell us what progress has been made on the guaranteeing of Home Loan bonds?

THE PRESIDENT: I have not heard anything since Tuesday and, on Tuesday, Mr. Fahey said it probably would not be ready until the end of this week or the beginning of next week.

Q Any appointments for us?

THE PRESIDENT: No. These (indicating) are all affirmations by the Senate.

Q Mr. President, is there anything to be said yet about the Los Angeles postmaster? They are getting nervous out there. It seems that three people out there are all mentioned.

THE PRESIDENT: I did not even know there was a vacancy. It is very careless on my part. (Laughter)

Q Anything further on the Weirton Steel case?

THE PRESIDENT: Not a word. Nothing has come in at all.

Q (Mr. Boettiger) How does this veterans program line up with the four-point program?

THE PRESIDENT: I do not know, John (Mr. Boettiger); you will have to compare it.

Q Mr. President, what do you think of today's president in Cuba?

THE PRESIDENT: Well, I think if I were writing the story -- just a background story, let us say -- I would put it this way: that we do hope that the election -- don't bring me into this at all -- of Mr. Mendieta looks very hopeful towards a realization of the two points that we have hoped would be fulfilled. The first was a government in Cuba which would have the substantial backing of the Cuban people; and the other, a government that would be able substantially to maintain law and order.

Of course, you cannot, within twenty-four or forty-eight hours, determine that this new government will be able to fulfill those hopes. I do not call them conditions, I call them hopes. I think you can make it a guess that if in perhaps a week from now or ten days from now there seems to be a carrying out, a fulfillment of those hopes -- in other words, if things go along all right -- that probably I will converse with some of the other American republics and have an interchange of views in regard to recognition, making it clear that recognition would not be in any way dependent on an agreement in any way between the various American republics; but, having talked things over with them before, I think that probably we should have a general talk about the situation as we hope it will be a week or ten days from now.

Q Mr. President, will any of our ships be withdrawn in the meantime, or will things stay as they are?

THE PRESIDENT: It depends entirely. I couldn't tell you yet. If the people down there seem to think that things are quite normal the thing to do would be to withdraw the ships, but we have no report on that yet.

Q Mr. President, reports are current in California that you are contemplating a trip to the West Coast via the Canal after you get rid of Congress. Is that true?

THE PRESIDENT: I do not think there is anything particularly new. I said all along that if Congress went home fairly early in the spring and, if everything else was quiet, that I would like nothing better than to get on a ship and go to California through the Canal. I also expressed the hope that I could visit Puerto Rico, the Virgin Islands and Hawaii. But it is still in the form of a hope.

Q Will you make any speeches in California?

THE PRESIDENT: Oh, no. (Laughter) I hope I won't have to make any speeches anywhere. (Laughter)

Q Do you expect before that time to have a new governor in Hawaii whom you might visit?

THE PRESIDENT: I hope so.

Q There will be a new governor?

THE PRESIDENT: What?

Q Excuse me.

THE PRESIDENT: I don't know, Stevie (Mr. Francis Stephenson of the A.P.)

Q Will you ask again for legislation permitting you to appoint as governor of Hawaii some other than a Hawaiian resident?

THE PRESIDENT: Not at this session.

Q One of the Press Associations had a story this afternoon that the Administration was going to favor the Vandenberg Bill along political lines. Anything to tell us about that?

THE PRESIDENT: I think I can tell you off the record in this particular instance because I have not seen the bill but I have talked to a number of very serious gentlemen, some of them from the Hill. The question has been raised: If we are going to treat a condition like that that the Vandenberg Bill is aimed at, if we are going to seek to correct the situation by legislation instead of by general ethics, why not go the whole hog? Why not take in everybody in the employ of the Government, including Senators and Congressmen? (Laughter)

Q Aren't the Senators and Congressmen already in? They are not practising before departments now?

THE PRESIDENT: No, they are not allowed to practise before the Government departments but of course you and I -- mind you, this is off the record -- you and I know there are an awful lot of Senators and Congressmen who are getting paid for political influence. I am just saying that in the broad and what has hitherto been accepted as the proper sense with respect to the use of the words "political influence."

Q You mean they are practising law while still serving in Congress?

THE PRESIDENT: Yes. As the Vice President suggestively remarked a little while ago; he said it is perfectly proper for any Congressman or Senator to do political favors which would result in a political reward as long as it is not a financial reward. There is all the difference in the world between those two. Naturally, every member of the legislative body, and I have been one myself, will go out of his way to do favors for people in the hope that that is going to reelect him. It is perfectly all right. That is an inherent part of our Government political system. But, when he does political favors for pay, that is a horse of a different color and I think that is where the distinction should be drawn.

Q Isn't there a good deal of that?

THE PRESIDENT: There always used to be when I was in Washington before. Of course I have not been able to circulate as freely during the last year or two. (Laughter)

Q That would not apply to practice before the courts, would it?

THE PRESIDENT: It depends entirely on the individual case.

Q For example, a man who is elected to Congress and has some law practice hanging over and the cases come up while he is in Congress?

THE PRESIDENT: What kind of cases? Cases in which the Government is in no way involved?

Q A civil suit?

THE PRESIDENT: And the Government involved?

Q No.

THE PRESIDENT: If the Government is not in any shape, way or manner involved, that is all right. It is only a question where the fact that he is a Congressman or a Senator or a member of the National Committee is going to help him in that suit.

Q Will that include contributions to the campaign funds in return for favors done?

THE PRESIDENT: By whom?

Q Favors done, political favors?

THE PRESIDENT: Yes, I think so. Generally the only thing on the campaign fund element is the old difficulty of finding enough rich men to go as ambassadors to foreign countries. Almost of necessity you do go into the realms and ranks of those who have contributed. It is a very difficult problem, that question of ambassadors, because almost every rich man has contributed.

Q I was thinking about votes for tariff bills and other things from which contributions might come, things of that kind.

THE PRESIDENT: Votes?

Q Votes on tariff bills and legislation from which contributions come to members of Congress or to the political committees?

THE PRESIDENT: Give me an example.

Q I mean to say, when they put tariff rates in, you can expect that those who benefit will contribute to the political campaign funds.

THE PRESIDENT: It is the same thing as if they were doing it for political favors. It is awfully difficult to draw a hard and fast line, but the principle is apparently clear.

Q Mr. President, do you think this law will prevent public officials of either party from holding an office in the party?

THE PRESIDENT: Oh, you mean Jim Farley? (Laughter)

Q Not particularly, Mr. President. (Laughter)

THE PRESIDENT: I do not know why party officials should hold public office except, in the case of the Chairman of the National Committee, your Postmaster General might be called the political Pooh-Bah of the party. I do not think it is good and -- this is still off the record -- Jim (Mr. Farley) has felt all along that he ought to get out as Chairman of the National Committee. It has been a question of finding someone to take his place. The chief reason for having that particular assignment to the Post Office is that in the old days the postmasterships were the principal things in patronage that the Government had. I do not think it is a good thing. I think it is one of the things we should get rid of as soon as we can. That does not mean that Jim should get out.

Q Senator Borah has introduced a bill which would prevent Senators and Representatives from representing a client in any court if that client had business before the Government. For instance, he says that if a Representative or Senator is retained for $10,000. in one particular case, it is much easier for him to vote for something that affects a client, although that particular case had nothing to do with it. Your idea would include something like that?

THE PRESIDENT: Yes.

Q Can you tell us anything about the Johnson Bill that would prevent the issuance of bonds of a defaulting country?

THE PRESIDENT: Yes. That question came up Wednesday. I am not ready to shoot on it. I am studying the bill with great care.

Q There is a report around -- I don't know where it originated -- that you favor handling the stabilization funds on the basis of a three-year operation.

THE PRESIDENT: I think we are a little ahead on that story. You had better wait until the bill comes out of the Committee, and I think you will see that there is a perfectly satisfactory clause in it. In other words, on this question of stabilization fund -- and I think you had better wait because I am telling stories on it out of school, since it should wait until they make their report -- there has been a feeling that the actual operation of the fund should be secret without any question. But, at the same time, there should be some thought of making a report to Congress at some future date on the status of the fund. That is not the operation of the fund, but the status. When that report is made to Congress on the broad status of the fund, they would then be in a position to determine whether they wanted to terminate the fund or not. I think you will find that the amendment which they bring in to the bill as it was originally drawn will carry that thought out. We will have a report a little bit later on and I think three years is a pretty good guess.

Q Obviously, there would not be any publicity given to the operation; that would defeat the whole purpose?

THE PRESIDENT: Yes, but it is perfectly all right that Congress should get a report on the general status and then have the right to say that they are going to cut it off.

Q How many people would share the secret of the fund operation? It will be controlled by the Secretary of the Treasury, and of course he would report to you?

THE PRESIDENT: Yes.

Q Would there be a board set up to handle it in addition to the Secretary of the Treasury?

THE PRESIDENT: I don't know. That is a matter of mechanics as to how many people. The fewer the better, from the publicity viewpoint.

Q In that connection, did you read Walter Lippmann this morning?

THE PRESIDENT: Yes.

Q What do you think of control by a high monetary court instead of by the Congress or the President?

THE PRESIDENT: I don't think any human being can tell what ought to be done until we get some experience on it. It may be a perfectly pious idea of Walter's, but I don't think we can tell until we see how the working of the fund is carried out. It may come to something like that.

Q Mr. President, is there anything to be said about the Finance Committee?

THE PRESIDENT: I am talking to the Secretary of the Treasury on Monday evening about it, not until then.

Q On the stabilization fund, will its operations as to purchase and sale of Government bonds also be a secret, or will that be made public?

THE PRESIDENT: That, frankly, I don't know.

Q The use of funds of other Government agencies is made public.

THE PRESIDENT: I don't think it would be of necessity. It may be decided to make it public, but I don't think it is provided for.

Q Mr. President, are you still of the opinion that only 5% of the 15% pay cut should be restored?

THE PRESIDENT: At this time. In other words, we are basing the thing on the determination by the Congress last year that the cost of living should enter into consideration. The cost of living figures, as you know, indicate that there has been a very slight increase and that increase has not brought it up to the minus 15%. It is still 21% minus.

Q Anything on the extension of C.W.A. beyond May first?

THE PRESIDENT: The bill will be ready on -- oh, you mean May first?

Q Yes, sir.

THE PRESIDENT: No. The bill will be ready on Monday.

Q Any developments in sugar, Mr. President?

THE PRESIDENT: No sugar today.

Q Mr. President, is it your idea that after February fifteenth or after February tenth, if the money is given by Congress, that they will go back to the 30-hour work week in C.W.A.?

THE PRESIDENT: I think it depends largely on the district or locality.

Q There might be a readjustment with respect to localities, depending on the condition?

THE PRESIDENT: Depending on the condition at the time.

Q Does that mean as between urban and rural or by locality?

THE PRESIDENT: It depends entirely on the locality. In some cases it would be urban and in some cases rural.

Q Has Roper presented his report on stock exchange regulations?

THE PRESIDENT: He is bringing that in Monday, also the Securities Bill.

Q Mr. President, will that include the Communications report at the same time; I think that is ready?

THE PRESIDENT: I don't know; I did not ask him about that.

Q Mr. President, did you say that there will be a Securities Bill?

THE PRESIDENT: No, I did not. But his Committee has been studying not only the stock exchange end but the securities end and the problem of the investment banker. For instance, a firm which is engaged in buying and selling securities, in other words, as a broker, is, at the same time, an investment banker, and at the same time runs an investment corporation. Now that kind of a firm has three functions and the question has come up as to how one firm can conduct all three functions at the same time without letting his right hand know what his left foot is doing.

Q Mr. President, can you tell us anything about your talk today with Whitney and the other railroad men? They were very silent when they went out of here today.

THE PRESIDENT: We talked about two things. One was, tentatively about the 10% railroad pay reduction, which does not come to a head until sometime in the spring. We just talked about it in very general terms. The other subject was the St. Lawrence. I pointed out, in the case of the St. Lawrence, that whether the Treaty was ratified or not the seaway without any question would be built, and that it could be built by Canada without entering into United States territory at all and without building a dam. All they would need would be some locks.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #91,
Executive Offices of the White House,
January 24, 1934, 10.45 A. M.

MR. DONALDSON: All in.

THE PRESIDENT: I think I can save time by telling you what is not news. The Secretary of Commerce gave me yesterday the report of the Committee which has been studying stock exchange regulations. I have not read it yet but as soon as I have I am going to send it up to the proper Committees in the Congress for their information. That does not mean that it is an Administration proposal or policy or anything else. I say that before I have read it, so it is perfectly safe. It may be all right and it may not. It is merely for the information of the Committees and I will tell them that after they have read it and have gone over the suggestions made by their own people, I will be glad to see them and talk over the whole subject before we come to a determination of policy. The same thing applies to communications. That report also came from the Secretary of Commerce and I am sending it on in exactly the same way for the information of the Congressional Committees.

The liquor bill for the District of Columbia is sitting here on my desk. I have not taken it up as yet.

Q Are you going to do it today?

THE PRESIDENT: I hope to do it today. If I get a free afternoon, I hope to make the basket look more respectable.

Q The sooner the better on that, Mr. President.

Q Do you have any ceremony?

THE PRESIDENT: No.

Q Any new developments in the pay cut situation?

THE PRESIDENT: No, Count (Rudolph De Zappe), I do not think there is another thing.

Then, on the currency bill, Mr. Morgenthau just this moment handed me the bill marked with the Senate Committee amendments and I have not had a chance to read it yet, so I cannot say anything about it as I have not read the amendments.

Q Did the Secretary make any comment on them?

THE PRESIDENT: No, just gave me the bill.

Q Yesterday Senator Tydings, after his Committee had acted on the Hawes-Cutting Bill, issued a statement favoring the extension of seven months on the Hawes-Cutting Treaty.

THE PRESIDENT: There again, it is first in the basket. I have a written memorandum from Manuel Quezon, who is, I think, talking with the Secretary of War about it this week. And I won't do a single thing until I have talked with the Secretary of War. I haven't said yes or no to any proposal. I have not even talked to Senator Tydings about it except that I did talk to Senator Cutting last week in regard to extending the life before last Wednesday, the day it was to expire, and we both agreed it was not necessary to extend the life before last Wednesday, that it could be done later if we decide to do it.

Q Among other things that Senator Tydings said yesterday was that after the new election if the Legislature again failed to take action, or action adversely, it would be notice to Congress that the Filipinos do not desire independence and would be willing to continue under their present status.

THE PRESIDENT: No, nothing to say.

Q Does the Stock Exchange regulation include the Grain Exchange?

THE PRESIDENT: I have not read it. I wish I could tell you.

Q Do you anticipate any Congressional action on that matter this session?

THE PRESIDENT: On which?

Q The Stock Exchange regulation?

THE PRESIDENT: I hope so. It is one of the planks of the Democratic platform which has not yet been fulfilled.

Q Mr. President, can you tell us anything as yet as to when you will be ready to talk over the Platt amendment with Cuba?

THE PRESIDENT: No, because there has not been time since four o'clock yesterday afternoon to talk that over at all. Nothing has been done on it.

Q Is there anything you can tell us about the Newspaper Code?

THE PRESIDENT: That is sitting on my other desk.

Q Is that likely to be reached at all?

THE PRESIDENT: I hope to get at it this week if I get out of this jam a bit.

Q In that connection, the Newspaper Guild has protested against Ralph Pulitzer as the administrator of the Code. Have you received that?

THE PRESIDENT: No.

Q Care to comment on it?

THE PRESIDENT: No. What is it based on?

Q I do not know; I did not get a chance to read it. I just know they have.

Q Dispatches from Tokio indicate the Japanese Government has approached our Government with a view to settling disputes which will occur in the next two years, meaning the naval question. Have you received any information to that effect?

THE PRESIDENT: Nothing done on the preliminaries of the naval conference at all.

Q Can you tell us anything more about the proposed guarantee of the Home Loan Bank bonds?

THE PRESIDENT: Yes. They were in yesterday afternoon and the bill for the guarantee of the bonds will be substantially the same as the Farm Credit guarantee bill. They also have another question under consideration and that is the need that the Home Loan Board feels for additional lending power to finance improvements in homes, the rebuilding of existing homes, with the thought that it would take up quite a good deal of slack in the building trades and put a good many people to work. That is being studied now as to the necessity for it and also as to where the money would come from, whether it would be an expansion of the two-billion-dollar borrowing power or bond issuing power or whether it should be done through some other form of financing.

Q Has any figure been mentioned?

THE PRESIDENT: I think $250,000,000.

Q Additional?

THE PRESIDENT: Yes.

Q Mr. President --

THE PRESIDENT (interposing): It is merely in the study stage.

Q Any change in the decision to stop the C. W. A. on May first?

THE PRESIDENT: No.

Q You are going to ask for additional funds?

THE PRESIDENT: Additional $350,000,000.

Q Does that go up today?

THE PRESIDENT: Lew (Lewis Douglas, Director of the Budget) said yesterday afternoon he would have it today, and $500,000,000. for the following fiscal year.

Q For C. W. A.?

THE PRESIDENT: No, for relief which, of course, could be used through a C. W. A. method, at least in part. In other words, we are not going -- on the relief question we cannot determine at this time what the necessities and needs will be next autumn and next winter. We have got to have a certain amount of flexibility in there.

Q In that connection, have you any reports that might throw any light on the expected absorption of these C. W. A. workers during this spring?

THE PRESIDENT: Only such vague figures at this time that it is awfully hard to put them down. I would put it this way: that we hope, through the actual operation of the P. W. A. funds and also through the hoped for pickup in industry, and also through the seasonal reemployment as, for instance, in the South, crop planting, and in the West, general farming operations to take up a large portion, at least a majority, of the people who are on the C. W. A. That does not mean that all of them will be taken up but we hope a fairly large majority of them will be taken up through those other methods. I hesitate to use figures because it is still in the guess stage.

Q Mr. President, would you comment on Coordinator Eastman's conclusions that, if possible, Government ownership would be the best solution of the railroad problem?

THE PRESIDENT: I do not think I had better because he has -- how many more?

Q Two more.

THE PRESIDENT: Two more reports coming in. I think I had better wait.

Q He has not been over to see you since last week?

THE PRESIDENT: No, he has not been over to see me since last week.

Q On the C. W. A., have these stories of graft been called to your attention?

THE PRESIDENT: I suppose ever since the first week it was organized we have had an average of several hundred letters a day, most of them political protests that the local agencies, which, of course, means local government, have been using the C. W. A. funds to build up political machines or to favor people belonging to one party or the other. I should say those protests are equally divided between Republican politicians and Democratic politicians, and if I have had two or three hundred a day, probably Harry Hopkins has had two or three thousand a day. We are getting after them as soon as we possibly can.

Obviously, on the C. W. A., the actual operation of the thing is in the hands of the local government and the keeping out of graft in the actual administration, the keeping out of politics, depends on the quality of the local government. We are doing everything we can not only to run down specific cases but also to get the idea abroad in different communities that the thing ought to be kept out of politics.

Q Mr. President, is there any undermining of the Federal Reserve System in giving the Secretary of the Treasury central banking powers?

THE PRESIDENT: No. What do you mean, central banking powers?

Q This bill is supposed to give banking powers to the Secretary of the Treasury?

THE PRESIDENT: Oh, no; it does not give the Secretary of the Treasury any central banking powers and it does not undermine the Federal Reserve System.

Q Any comments on the downfall of Huey Long?

THE PRESIDENT: No. (Laughter) Stevie (Stephenson), the only thing I can say is that it is a local matter. (Laughter)

Q So far. (Laughter)

THE PRESIDENT: That is not for the record.

Q On those Home Loan bonds, will provision be made for guaranteeing the principal of bonds already outstanding as with the Farm bonds?

THE PRESIDENT: I think so, but I would not swear to it; I think so.

Q Some of those bonds are already in the hands of the investing public. Will those be guaranteed?

THE PRESIDENT: I don't see how we can discriminate between them.

Q Your statement, issued at the time the German Ambassador was here, mentioned the German trade. Can you explain that for us?

THE PRESIDENT: Only as a matter of theory. I told him just what I told a great many other people, that the ultimate ideal, the ultimate objective was for every nation's trade to be on a balanced basis, so that the total income from foreign ports equalled the total outgo to foreign ports, with the world objective of eliminating these large favorable or unfavorable trade balances that have to be paid in gold from time to time. That being so, in the case of Germany, for example, we would be perfectly willing to discuss with them the question first as to whether the trade between Germany and America, both ways, is out of balance or not. The thing has never been studied. We don't know until we actually make a complete study whether we actually export more goods to Germany than we receive from Germany. We have never explored the other side of the picture -- the invisible exports of money from this country to Germany through the tourist trade, remittances by immigrants, and so forth.

The first step is to get figures along that line and then, if it appears that there is a balance, favorable or unfavorable, one way or the other, the time will come to try to correct that through purchases on the debit side of the ledger.

Q Mr. President, is the Government giving its support to the American representatives to the Debt Conference?

THE PRESIDENT: Yes and no. They are private individuals; one of them is a classmate of mine. They are private individuals but, at the same time, we have said perfectly clearly to the German Ambassador and also to our Ambassador on the other side that we are anticipating the same kind of treatment, without discrimination, that other nations are getting. There has been a great deal of complaint, as everybody knows, about discrimination. Switzerland and Holland are being paid approximately 100% on the debts that are due their citizens by German municipalities and states and corporations, as against other nations that are getting only 50% in cash and scrip for the other 50% which, when you come to cash it, only works out at 25%. We were disturbed, Great Britain was disturbed, and other nations, by the suggestion from Berlin that this 50% cash payment would be further reduced to 30 or 35%. That is all we have done.

Q Mr. President, the special treatment to Holland and Switzerland followed threats of retaliation by them. Have we gone as far as that?

THE PRESIDENT: No.

Q Can you tell us what the German Ambassador said in reply to your representations concerning discrimination against Americans?

THE PRESIDENT: I think you had better ask him.

Q We did, Mr. President. (Laughter)

THE PRESIDENT: Of course, off the record -- I think you had better use it as background as long as you do not attribute it to me in any way -- the theory of the German Ambassador and German Government is a theory which is somewhat difficult to understand. It goes along this line: That if they pay 100 cents on the dollar to Switzerland and Holland creditors, eventually, some day in the future, the general economic situation will be so much better that they will be able to pay 100 cents on the dollar to other people. The best word to use is an unbalanced theory that does not bring much cash into one's pockets.

Q In that connection, is there anything to be said on the rumor that the German Government is buying bonds at the present low prices?

THE PRESIDENT: That has been stated. It has been stated that as high as five hundred million dollars of German bonds in this country have already been bought up at away below par. I don't know whether that is true or not. I don't know whether anybody has checked.

Q It has been checked, and the statement has been found to be accurate. In the last year, 1932, they are supposed to have bought up a good deal more than the equivalent interest payments would have been had they met their various payments due on obligations.

THE PRESIDENT: Yes?

Q In connection with the debts, Secretary Morgenthau, at the hearing, is quoted as saying that the responsibility has been transferred back from the Treasury to the State Department. Is there any significance in that?

THE PRESIDENT: No.

Q Your communication to Congress on C. W. A. will take the form of a message or letter to the Committee?

THE PRESIDENT: I don't know, Fred (Mr. Storm). I don't know that I will send anything up myself. In other words, it was in the budget, and I think probably everybody knows all about it. Probably Lew Douglas will just go up there and explain it to them. Possibly I may have to send a letter of transmittal to the Committee.

Q Did you get a chance to read Prime Minister MacDonald's speech this morning in which he suggested stabilization of the currencies?

THE PRESIDENT: Off the record, I have read it; on the record, I have not. (Laughter)

Q Thank you, Mr. President.

(The Press Conference adjourned at 11.00 A. M.)

CONFIDENTIAL
Press Conference #92,
Executive Offices of the White House,
January 26, 1934, 4.05 P. M.

Q Stevie (Mr. Stephenson) was almost killed in the grand rush, Mr. President.

THE PRESIDENT: I think I ought to assign a Marine guard to him.

Q I think he can take care of himself, Mr. President.

THE PRESIDENT: You think so?

Q I think so; he can carry the ball right along.

THE PRESIDENT: He is getting to be a smart guy. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I have a rather important piece of news: The ladies have been in to see me and they want a special stamp for Mother's Day. All the sportsmen of the country are united behind a duck stamp bill.

Q What is this, stamp day?

THE PRESIDENT: No, you stamp the duck.

Q Try to do it. (Laughter)

THE PRESIDENT: That is all I know.

Q Have you any comment on controlling cotton at the gin -- the production of cotton?

THE PRESIDENT: No. I think that the Department of Agriculture is sending out a questionnaire to try to get the general sentiments of the cotton growers as to whether there should be a more specific control over acreage and if so what form that control should take. If any other further control is adopted, there arises the question of which of two forms should be followed. I talked to Senator Bankhead and the others about this. One form is the method of licensing the individual farmer to a certain, definite amount. The other form is arriving exactly at the same result through taxation at the gin, with a rebate to the quota amount.

I think it is largely, as between those two methods, a matter of legal opinion and a good many people feel that the taxing method would stand up more readily in court than a straight licensing proposition. I think that Senator Bankhead is entirely willing to have that position taken, perhaps as an amendment to his bill. You arrive at the same result. It is merely a matter of difference in machinery.

Q Do you believe that some action along that line is necessary?

THE PRESIDENT: There again it is a bit too early to tell. I am inclined to think we may have to come to it. But, if we do come to it, we want to come to it, if possible, with the general approval of the cotton growers themselves, which I think we will get. There are two reasons for it and because of the two reasons, it is not yet clear. The first is that the man who restricts his acreage may put in more fertilizer and get as much cotton as he did before. The other is the factor of new acreage which has never been planted to cotton being brought in.

Q The taxation plan will not take cotton out of production, will it? The farmer can grow as much as he wants to if he is merely taxed for the over-supply?

THE PRESIDENT: Well, he is not going to grow a lot of cotton if he has to pay a tax on it.

Q How about wheat and the others?

THE PRESIDENT: Well, that is too far off. In other words, we are feeling our way on the general theory of trying to bring total production within the limits of total consumption.

Q Reports are printed today that you have named or will name individual experts for virtually each major country on foreign exchange when the stabilization fund becomes operative.

THE PRESIDENT: That is a new one on me.

Q It is on the front pages of the papers today.

THE PRESIDENT: Probably what that story arose from was that somebody was down here a couple of days ago and wanted to know about the proposed monetary commission and I think I casually remarked that of course we would have people to keep us in touch with the actual facts on exchange in probably a dozen different centers of exchange including, I think I used the words, "including Shanghai." And probably whoever I told it to -- I have forgotten who it was -- announced that I was going to have fifty experts centered all over the world.

Q Can you tell us when you are going to ask for money for the recovery agencies for the rest of this year, the $1,166,000,000. or part of it?

THE PRESIDENT: The situation is, I think they are up on the Hill today, trying to find out whether the leaders in the House and Senate would rather have the appropriation bills in the form of one bill or two bills or a multiplicity of bills. It is largely a question of the jurisdiction of the different committees. A general bill would have so many different matters that would fall under the jurisdiction of so many different committees that we want to find out really what they want to have on the bill before we decide on the form of the bill or bills. Lew (Mr. Douglas) will probably let me know about it tonight or tomorrow morning. The bill or bills will go up in the next few days.

Q The amount is still the same, regardless?

THE PRESIDENT: $1,166,000,000. plus $2,000,000,000.

Q The liquor trade negotiators tell us that they believe the liquor quota system will be continued after March first. Is that correct?

THE PRESIDENT: I do not know anything about liquor.

Q I understand under Section 5 of the Economy Act, you have powers to modify or cancel the airmail contracts. Has that possibility been discussed?

THE PRESIDENT: The first time was at lunch today when Hugo Black was down here and told me I had that authority. I did not know it.

Q Are you glad you have it?

THE PRESIDENT: Yes.

Q Did you discuss the airmail situation with the Postmaster General?

THE PRESIDENT: No, I talked it over with Senator Black.

Q Have you decided whether you will send that Special Message for grazing control legislation?

THE PRESIDENT: What did happen on that was that I talked with the Secretaries of Interior and Agriculture about that yesterday and I have forgotten what we decided. (Laughter) There is, as I remember it, there is a bill up there, the Taylor Bill.

Q Right.

THE PRESIDENT: And they both agreed that that is a pretty good bill and I asked the two of them to give me a letter on the subject and undoubtedly it will result in a letter from me to whatever Committee is in charge of that bill.

Q Is there anything further in the Weirton case?

THE PRESIDENT: I have not heard a word, not a word.

Q Is there anything new in the C. W. A. charges of graft in that situation?

THE PRESIDENT: No, I have not heard anything more. They are investigating every charge and it costs quite a lot of money too.

Q There is a bill providing for the control of exchanges, providing for the Administration's views, that is being drawn up, providing for control by the Federal Trade Commission?

THE PRESIDENT: The control of exchanges?

Q The issuance of securities?

THE PRESIDENT: I don't know; I never heard of it.

Q Mr. Landis, I believe, is supposed to be working on it?

THE PRESIDENT: I do not believe there is any bill. I know he has been working on the thing and these various reports of Roper's committees were sent up without recommendation -- we just put them in.

Q Have the Newspaper Codes been signed as yet?

THE PRESIDENT: I have not looked at it since I saw you last.

Q Any recent developments in the Administration's sugar program?

THE PRESIDENT: No; haven't taken that up at all.

Q Anything you can tell us about today's patronage meeting?

THE PRESIDENT: We had a very nice hour. (Laughter)

Q They left here smiling.

Q Jim Farley said it was a great social success. (Laughter)

THE PRESIDENT: I suggested a number of things to do. The first was that they should continue and not disband. They should act as a clearing house and, secondly, on the question of complaints, that the complaints should be made as specific as possible. It is impossible to investigate a perfectly general complaint but, as to a specific complaint, we would be quite willing to go into it.

Q The recognition of Salvador has started talk of the possibility of the United States going into Pan America and recognizing revolutionary governments as set up in --

THE PRESIDENT (interposing): There isn't anything on that at all. The only thing, as I remember it, is that the three Central American Governments, which were still bound by the old non-recognition treaties -- you see, Costa Rica had withdrawn and Salvador practically had taken itself out, and the three that were still bound decided to make this recognition of the present Salvador Government immediately, and then call together a conference of the five republics in order to discuss a new agreement relating to recognition. Of course, our policy there has been to go along with the Central American policies. We were not a signatory of that previous treaty but we said as long as that is the general rule in Central America, we would adopt the same policy. That is all that happened.

Q No change:

THE PRESIDENT: No. There is, as I understand it, going to be a meeting of the five governments after recognition of Salvador.

Q Are you any nearer the tariff Message to the Congress?

THE PRESIDENT: No.

Q How about war debts?

THE PRESIDENT: The only thing we are nearer on is that I have to ask the Secretary of State to bring himself up to date on the reports that were made during his absence.

Q I have one more inquiry on money here. The dollar, you know, is getting stronger every day and closed at 4.94 to the pound in London today. Is there anything of special significance on our monetary program?

THE PRESIDENT: Not that I know of.

Q We have reports that unusually large amounts of foreign money are coming into this country presumably for investment purposes and there is a report that one company is offering $60,000,000. in securities on the London market. Has that any particular connection?

THE PRESIDENT: I think probably you had better ask Henry Morgenthau about it. I think that some of the gold that we have been purchasing on the other side is coming back to this country in the form of bars.

Q Paris is clearing out fifteen millions a day, mostly sent to this country.

Q Have you any ideas about unifying the military air forces of the Government under one separate Air Corps command?

THE PRESIDENT: Haven't thought of it.

Q Can you give us any details on Senator Black's visit?

THE PRESIDENT: No. We talked over the general work of his Committee and he told me he hoped to be able to make a preliminary report within a month. He also told me that they would not have covered all the ground by that time and I told him I hoped very much that he would cover all the ground before he got through.

Q In that connection, do you think it is necessary to use the authority you have over these airmail contracts that you found out about today?

THE PRESIDENT: Well, as I say, I did not hear about it until lunchtime. I do not know any details. He told me that in his judgment, most of the present inequalities and troubles with the airmail as well as the ship mail could be corrected by Executive Order but probably some legislation will be needed -- that most of the trouble could be corrected by Executive Order.

Q That would indicate the cancellation of contracts here and there?

THE PRESIDENT: Yes.

Q I suppose you are looking into the matter of making a further examination of it, sir?

THE PRESIDENT: I am sort of waiting for the report of the Black Committee because we haven't any report of recommendations on it at all. And, of course, tied up with that is the general subject that came up way back in the 1932 Campaign, that some effort be made on the part of Government to coordinate the transportation end. If you will read the Salt Lake City speech, you will see what the object is, to coordinate all transportation, which means railroads, air, canals, waterways and shipping under some directing body, which would possibly mean the giving of added jurisdiction to the I. C. C.; in other words, building up the I. C. C. Whether we will be ready for the legislation at this session of the Congress, I do not know. In other words, I do not know whether we can carry it all through this year or through the winter. It is a pretty big and complicated subject.

Q I understand the Postmaster General is making an investigation and report to you on aviation?

THE PRESIDENT: He isn't through.

Q Mr. President, you told us about Douglas (Lewis Douglas, Director of the Budget) being on the Hill on a number of bills relating to emergency appropriations for P. W. A. or C. W. A. Can you tell us anything further?

THE PRESIDENT: We are waiting to find out today. The first form that came to me on it was a draft message and a different bill for each item and I think we can save time and trouble if we cut it down to a smaller number of bills.

Q Mr. President, any progress on trade talks with Russia?

THE PRESIDENT: With Russia?

Q Anything on it?

THE PRESIDENT: I think that is rather a separate thing.

Q Any talk at all?

THE PRESIDENT: No.

Q Mr. President, would you care to tell us what you told the Democrats today at this patronage conference?

THE PRESIDENT: They were here about an hour and they talked fifty minutes and I talked ten.

Q Mr. President, have you done anything with respect to the vacancy on the Power Commission?

THE PRESIDENT: Power Commission? No, I have not. They were down the other day and I asked them to make suggestions and I have not heard anything further.

Q Thank you, Mr. President.

THE PRESIDENT: Put the lid on until Monday.

Q The last time you put the lid on we had to stand out in front of the White House until twelve midnight.

CONFIDENTIAL
Press Conference #93,
Executive Offices of the White House,
January 31, 1934, 4.15 P. M.

Q Mr. President, did you have a good birthday?

THE PRESIDENT: Louis (Mr. Howe) isn't up yet. (Laughter)

Q (Mr. Stephenson) Steve (Mr. Early) can't say a whole lot. (Laughter)

MR. McINTYRE: I gave Steve the cigar this morning.

THE PRESIDENT: I am glad you smoked it. I thought you were a little green around the gills.

MR. DONALDSON: All in.

THE PRESIDENT: Will you please not go out for five minutes. It will be a very short conference because I would very much like to have you all get this on the wires as soon as possible. The reason for this haste is that the gold market over here stays open until five or half-past and it will probably be advantageous for the American gold market to be open instead of having this operate only on the European gold market tomorrow morning. Therefore, the quicker you get it out the better I will be pleased.

We have fixed at 3.10 this afternoon, by proclamation, the weight of the gold dollar at 15 5/21 grains of gold, nine tenths fine.

Q Is that 15.5/21?

THE PRESIDENT: No, it is 15 5/21. This is the equivalent of 59.06-plus. In other words, it figures on a mathematical basis to 59.06-plus of the former weight of 25 8/10 grains.

The new gold content of the dollar became effective the moment I signed the proclamation at 3.10 P. M.

We will have a mimeographed statement for you later on, but this is just a flash.

Number two, the Secretary of the Treasury with the approval of the President, has issued a public announcement that beginning on February first, tomorrow, he will buy through the Federal Reserve Bank of New York, as fiscal agent for the account of the United States, any and all gold -- that is not just American-produced, that is any and all gold -- delivered to the United States mint or the Assay Offices in New York or Seattle at the rate of $35 per fine troy ounce, less the usual mint charges and less one-quarter of one per cent for handling charges.

The purchases are to be in compliance with the regulations and are to continue until further notice.

Then there are a lot of more details in here which you can keep for your main stories. Steve (Mr. Early) will have them for you very soon. I don't think there is any other important news.

Q There is something of importance to Washington in the report that the Senate Committee is putting in the five per cent pay restoration on February first?

THE PRESIDENT: I have not heard a word on it.

Q That would be the independent appropriation bill.

THE PRESIDENT: I have not heard a word about it.

Q Mr. Farley said the other day that he thought you would discuss the attitude towards National Committeemen?

THE PRESIDENT: I am going to have a talk with Jim Byrnes and Norris and Vandenberg and one or two others in the next few days.

Q Can you tell us about your flood control conference you had here?

THE PRESIDENT: It was preliminary; we are going to meet again. We talked about flood control from the point of view of national planning with the general thought that we would try to work out a national plan in the larger aspect that would list the various rivers and flood control projects in the order of their necessity; that is, on the order of damage done, human beings affected, property affected, et cetera. But that is as far as we got, discussing national planning for flood control and all the things that go with it, power, reclamation, submarginal lands and everything else.

Q Can you tell us anything of the Newspaper Code? Has that been signed?

THE PRESIDENT: No.

Q Have you received protest from the Guild relative to Mr. Pulitzer, et cetera?

THE PRESIDENT: Yes; it is on my desk still.

Q In view of this gold action, do you contemplate any discussions with the British or other countries on stabilization?

THE PRESIDENT: There have been absolutely no discussions at all and Henry Morgenthau is correct in saying that any questions on this won't be answered.

Q Does that apply here also?

THE PRESIDENT: Yes.

Q Now that Secretary Hull is back, is there anything to say on the foreign trade plans?

THE PRESIDENT: No; they are all working there on the various reports that have been made -- the State Department, the Department of Commerce, George Peek, et cetera, Agriculture -- and I have not seen him yet.

Q Is there any provision in the Secretary's regulations for purchasing gold, providing that gold illegally held under these hoarding orders will not be bought, or will it be bought?

THE PRESIDENT: You will have to ask him. There are so darned many that I could not tell you intelligently.

Q It is reported that you are going to send a Message to Congress on Home Owners' Loan Corporation. Can you tell us when?

THE PRESIDENT: Soon. I do not know whether it will be Monday or not. We have not anything drafted. I talked to them yesterday.

Q Can you tell us anything about the Weirton steel situation?

THE PRESIDENT: There is going to be some kind of an Executive Order from either NRA or the Labor Board or both, which I think will clarify the situation very much.

Q Will that come out today?

THE PRESIDENT: I asked General Johnson to get it out as soon as he could. I do not know whether it will be today or tomorrow morning.

Q What is the status of the Tariff Message?

THE PRESIDENT: That also is being studied by the Secretary of State. That goes along with the other thing, the general foreign trade.

Q Will there be a Tariff Message?

THE PRESIDENT: I think so.

Q Is there anything further to be said regarding that German private debt situation?

THE PRESIDENT: I have not see a single report from the other side since their first meeting on Wednesday last, was it?

Q Thursday.

THE PRESIDENT: Yes.

Q It is reported from Berlin that they have agreed not to reduce cash payments any more without conferring with the creditors, and also says that they will put it on a contractual basis. Wasn't it our complaint that they were reducing cash payments without compensation?

THE PRESIDENT: Our chief objection was that they were discriminating against creditors of one country as against another.

Q That would not completely satisfy us?

THE PRESIDENT: I do not know. It depends on where they have the thing and whether they make the same terms with respect to all.

Q Mr. President, are there any further Executive Orders to place the stabilization fund in operation?

THE PRESIDENT: I think it is all done.

Q It is all done with the signing of the Proclamation?

Q Do you care to add anything on the discussions of the Stock Market bill?

THE PRESIDENT: Just discussing it, that is all. I think they will be down to talk from the Hill. I asked them to confer.

Q Did any statisticians happen to figure out what the Treasury profit was on the basis of this new figure?

THE PRESIDENT: They haven't got to that yet.

Q That is just a bit over 40 per cent, isn't it?

THE PRESIDENT: Yes. 40.94.

Q Mr. President, will you tell us just why that particular figure was arrived at?

THE PRESIDENT: Purely because of higher mathematics. We were faced with the question of fixing it at some particular point which would bring it out to a round figure per ounce of gold. Thirty-five dollars an ounce works out to 59.06.

Q In other words, you started out at $35 and worked backwards?

THE PRESIDENT: Yes.

Q Was there any relaxation on the embargo on the export of gold?

THE PRESIDENT: There again you have to read through the various orders. Some were Treasury orders and some were mine.

Q Has the order been signed creating the stabilization fund of two billion dollars? I suppose that goes with this.

THE PRESIDENT: I don't think it has, but you had better check with Henry. Maybe it doesn't have to be.

Q Thank you, Mr. President.

(The Press Conference adjourned at 4.25 P. M.)

CONFIDENTIAL
Press Conference #94,
Executive Offices of the White House,
February 2, 1934, 10.50 A.M.

THE PRESIDENT: I think there is absolutely no news today. It is a very good Friday. We will put the lid on again until Monday. The last time I asked you to put the lid on somebody thought that we had issued a national press censorship. (Laughter)

Q I have just one question to ask: Senator Byrnes, according to this morning's Herald, said that you were in favor of the five per cent pay restoration February first and July first but would object to the restoration of ten per cent on July first.

THE PRESIDENT: I have not said one thing about it one way or the other. It is still a pending matter up there (on the Hill). I have not said a thing.

Q Can you tell us something about the conversation late yesterday with Mr. Jones (Jesse H. Jones, Chairman of the R.F.C.) and Mr. Bullitt (William C. Bullitt of the State Department)?

THE PRESIDENT: I do not think I can. I think you are a little ahead of time. The machinery -- we have not decided on what kind of machinery we are going to use for a certain purpose yet.

Wait a minute, I think I can -- I don't know, you had better see Jones about it but I can tell you what it is about. There is no reason why I should not tell you, off the record, what it is about. Don't print the thing until you have seen Jones. We are probably going to organize some kind of corporation, which may be a District banking corporation, in order to establish certain -- I cannot think of what the word is -- endorsements of loans to Russia.

It is not straight credit.

Q Confined entirely to Russia?

THE PRESIDENT: That is the primary purpose. But you had better get that from Jesse because there was not a final decision on the form of the corporation yesterday afternoon.

Q Do you mean by that endorsement of loans a Government guarantee of the loans to the American exporters?

THE PRESIDENT: Portions, yes. It means, of course, the American exporter would take some of the risk himself. That is the general theory.

Q Would that entail an amendment to the R.F.C. Act with respect to export credits?

THE PRESIDENT: I do not think so.

Q Mr. President, how much credit is contemplated, exactly?

THE PRESIDENT: That has not been discussed.

Q Would it come under the Federal Reserve System? There is a provision in there?

THE PRESIDENT: I should think so. I think it is the kind of bank that the R.F.C., if I remember it, can take stock in. But, as I say, you must check with Jesse Jones on that first because I do not know enough about the actual details.

Q In view of the fact that they are trying to get unanimous consent to vote on the St. Lawrence, is there anything you can say with reference to it?

THE PRESIDENT: Only that Senator Robinson told me yesterday that they are trying to get a unanimous consent vote in about a week. That is all right, so far as I am concerned.

Q Norman H. Davis is in town studying disarmament over at the State

Department. In view of the fact that the British and Italians have made proposals, have you anything to say?

THE PRESIDENT: So far as I know, there has been no date set for the reconvening of the conference. There is a committee meeting which will decide on a date. I think that committee meeting is to be held on the fourth of February, day after tomorrow.

Q The thirteenth.

THE PRESIDENT: It has been put off? Ask Davis.

Q In connection with that, both the British and the Italian proposals provide that -- our position as outlined by Secretary Hull is that we are opposed to any rearmament by any nation at the present time but in view of these other proposals, is it a safe proposition that if Europe agrees to let Germany rearm, we won't object?

THE PRESIDENT: I cannot say anything about it for the reason that since Geneva adjourned there have been at least six different proposals and you can never tell whether they are coming through as definite and final proposals, and also the fact that they seem still to be in the realm of European politics rather than world disarmament. We made our position pretty clear on that. We draw the line and distinction between European political adjustments and world disarmament.

Q Now that you have recognized Cuba, is there anything you can tell us on sugar?

THE PRESIDENT: I am talking with several people about that this afternoon. Of course the Philippine situation is also somewhat involved. We have not made any decision or found any plan different from the one we had a month ago or a week ago.

Q Are you still working on the idea of quotas?

THE PRESIDENT: Yes, in general.

Q Can you tell us with whom you are going to talk?

THE PRESIDENT: I think I am talking with -- I am having two talks, one with the Secretary of War around noon and with Senor Quezon around fifteen minutes later and, this afternoon, I think I am talking with Secretary Hull and Sumner Welles. This is just developing, that is all.

Q To return to Russia, will this banking corporation handle any arrangement for mutual exchange of goods as well as credit?

THE PRESIDENT: That I do not know; I have not got as far as that at all.

Q To clarify that a little bit more, is this along the lines of the plan suggested by Peek to you in his report?

THE PRESIDENT: It all ties in together.

Q We still do not know what the Peek report is. That is the reason for the question.

THE PRESIDENT: That was only a very preliminary report, that is all. It ties in with so many departments, Agriculture, Commerce, State, et cetera. Probably over the week end or early in the week we will get to it.

Q Have you had any conversations about Stock Exchange regulations?

THE PRESIDENT: No.

Q Have you had any protests from the Japanese or others on the naval situation?

THE PRESIDENT: No, I have not heard a word.

Q In that connection, Pan Pacific asks that you come to Tokio when and if you go to Hawaii?

THE PRESIDENT: That is still perfectly vague. It depends on Congress and a lot of other things.

Q I think he was saying that you have an invitation to go to Japan when you go to Hawaii.

THE PRESIDENT: No. It is a very grave question as to whether I can take enough time to go to Hawaii. You have to go straight up from the Canal to San Diego.

Q This morning I noticed that in London the gold price has gone to $34.85. In view of that and the fact that they have substituted the American dollar in place of the French franc --

THE PRESIDENT: (interposing) Now you are getting on the subject we called "verboten," Fred (Mr. Storm).

Q Do you care to say whether we are having any negotiations with Great Britain -- (Laughter)

THE PRESIDENT: Stevie (Mr. Stephenson), we will consider that question as duly asked and a "No" answer made from now on.

Q (Mr. Stephenson) The sky is the limit.

Q Mr. President, just before Congress was adjourned last summer, you appointed Huston Thompson on the question brought up by Senator Norris on the power at Muscle Shoals. Has any report been made or is there anything available to the Press? We have heard nothing of it since.

THE PRESIDENT: Gosh, it was so long ago that I have forgotten. Huston Thompson made a report and, as I remember it, there was switching of power.

Q Did that involve culpability on the part of the Army Engineers?

THE PRESIDENT: I do not think so but I think the methods have been completely changed down there. Now that is just recollection on my part.

Q Is there any way in which that might be made available to us, or is it such a thing that we cannot get?

THE PRESIDENT: I do not know whether we are going into it further or not.

Q The Army was much involved and one paper --

THE PRESIDENT: (interposing) So far as I know, there is no culpability fixed on anyone. The best thing would be to ask the Attorney General or Huston Thompson about it.

Q So many of us have asked Huston and he refuses to say anything.

THE PRESIDENT: Ask Homer Cummings. I have not heard of it for three months.

Q The term of the Quartermaster General expires tomorrow. Have you named anyone to succeed him?

THE PRESIDENT: Have I, Steve? Steve (Mr. Early) says no.

Q Have you determined whether or not you are going to give P.W.A. any more than the $500,000,000.?

THE PRESIDENT: No. The allocation of those two sums, $1,166,000,000. and $2,000,000,000., I am asking that they be left elastic as to the specific allocation to items, depending on how the conditions develop next fall. We cannot tell.

Q Mr. President, when the Retail Food and Drug Act was introduced, it was understood to be an Administration measure. After hearings, it was introduced in revised form. Now I understand it is to be revised again.

THE PRESIDENT: I think the only source of information should be the two gentlemen, Dr. Copeland and Dr. Sirovich. Between the two of them I think they have three or four bills and what will come out from them I do not know.

Q What do you want? (Laughter)

Q Is there any time when you will send up the tariff Message?

THE PRESIDENT: No.

Q That has not been drawn completely?

THE PRESIDENT: Not a bit.

Q Anything to say on the political aspects of the Philippine independence question?

THE PRESIDENT: No. I had a long memo -- I suppose that is the correct word for it -- from Senor Quezon. Of course it is not a public memo, it just represented his own views. I talked to the Secretary of War and the Bureau of Insular Affairs about it today and then we are talking, all of us, with Senor Quezon about it. I have not had a chance to talk to either of them yet.

Q On tariff, do you intend to send a Message?

THE PRESIDENT: On tariff?

Q Yes.

THE PRESIDENT: I think there will be a Message.

Q You spoke about the allocations of these funds: you are staying within the limits, that is $1,166,000,000. --

THE PRESIDENT: (interposing) Yes.

Q You won't go beyond that?

THE PRESIDENT: Not if we can possibly help it.

MR. YOUNG: Thank you, Mr. President.

(The Press Conference adjourned at 11.05 A.M.)

CONFIDENTIAL
Press Conference #95,
Executive Offices of the White House,
February 7, 1934, 10.40 A.M.

Q How is Louis (Mr. Howe), Mr. President?

THE PRESIDENT: Louis is better. He was up yesterday, wandering around.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news. I have been having a spring house cleaning with my basket at the White House for two days.

Q I would like to ask a question, Mr. President.

THE PRESIDENT: Yes, Count (Rudolph De Zapp).

Q The West Virginia delegation, according to newspaper accounts, seems to feel satisfied that their candidate has the inside track for appointment as a member of the Public Utilities Commission.

THE PRESIDENT: Ask Mac (Mr. McIntyre, Secretary to the President). I have not heard a word about it, not a word. The last I did was about ten days ago when I said to Mac, "I think we ought to do something about it," and that is as far as we got. We have not done a thing and have not discussed it since then.

Q If you want to know a good man, I have --

THE PRESIDENT: (interposing) That is all right.

Q -- a very good man.

THE PRESIDENT: Write it down on a slip of paper and fold it over twice and put it in a hat. (Laughter)

Q Mr. President, do you care to say anything about the announcement in the Post (The Washington Post) this morning that your Emergency Council has approved a larger appropriation for C.W.A. and direct relief?

THE PRESIDENT: Elliott Thurston gives me real information. I had not heard a word about it and have not yet.

Q Any publicity on income tax returns?

THE PRESIDENT: That is unfinished business; I have not heard a word about it.

Q Any more agitation about the Securities Act?

THE PRESIDENT: Has anything happened on it? I have not heard a word. I have been practically out of the news the last two days and I have not seen anybody about particular information.

Q That is it and we are trying to get back in.

THE PRESIDENT: I have not heard a word about the Securities Act.

Q How about the Dickinson report?

THE PRESIDENT: The one I sent up? No, I have not seen the other one.

Q Are you going to issue a statement on sugar?

THE PRESIDENT: I think maybe; I cannot tell you when. It might even come this afternoon. In other words, that is the top of the pile. I want to do something about it.

Q Will there be a Message to the Congress or a statement?

THE PRESIDENT: No, just a statement.

Q What will that statement say? (Laughter)

THE PRESIDENT: I have to take it off the top of the pile first.

Q Will that be accompanied by a bill?

THE PRESIDENT: I do not think so. Of course there is the bill to make sugar one of the basic commodities.

Q That is Costigan's (Senator Costigan) amendment?

THE PRESIDENT: Yes.

Q I understood it might be necessary to introduce it in the House as the point of origin?

THE PRESIDENT: I do not know yet. I do not think anybody has decided on that yet.

Q That seems to be Joseph Robinson's (Senator Robinson) opinion on it the other day. They think it should start there.

THE PRESIDENT: You see, if it is made a basic commodity, we could put on a processing tax without any further legislation.

Q Can you make it a basic commodity under the terms of the Agricultural Adjustment Act?

THE PRESIDENT: No, we have to have legislation in order to make it a basic commodity.

Q Can you make it a basic commodity on the same terms as other crops of which we produce an exportable surplus?

THE PRESIDENT: I think so.

Q Have you had any conferences with the leaders on the Hill on Stock Exchange regulation?

THE PRESIDENT: No, have not talked at all.

Q They seem to be very much perturbed as to whether it will be in this session.

THE PRESIDENT: I have been for legislation in this session right along. It is in the platform. That Stock Exchange legislation has all been held up until the Senate Committee is ready to talk with me about it and we have not discussed it at all.

Q I heard you might send in a bill Thursday or Friday?

THE PRESIDENT: Probably somewhere around the end of this week and the beginning of next week we will have a talk.

Q Do you expect them to talk to you before they put the bill in?

THE PRESIDENT: That I do not know.

Q Have you had any talk with Jesse Jones about the District banking corporation?

THE PRESIDENT: The Export-Import Corporation?

Q Yes.

THE PRESIDENT: Well, it is in process.

Q Is 2,000,000 tons a good guess for this Cuban sugar quota?

THE PRESIDENT: I won't start guessing. Just wait until this afternoon. I think I can get it out this afternoon.

Q Mr. President, certain radical elements have adopted a recent article by Mr. Woodring as substantiation of their claim that the C.C.C. is what they call a "pacifist" army. In view of that, do you care to restate or say anything about the Administration's attitude toward the C.C.C., or comment on the Woodring article?

THE PRESIDENT: I have not. I have been very careful not to read it.

Q It puts the C.C.C. as a great military achievement.

THE PRESIDENT: I heard about it and Steve (Mr. Early) got a large stack of petitions and things as a result of it. I think Steve and Harry Woodring are having a little conversation but I have not read the article. Of course it is perfectly obvious that the C.C.C. is not in the slightest degree militaristic. Anybody who sees them knows they are not.

Q Can you give us any background on the events leading up to the Woodring and Silverman thing?

THE PRESIDENT: The only background I can give you -- I cannot give you anything definite because I do not know anything about it -- but complaints came in from at least three or four different sources and they seemed worthwhile investigating, so the whole thing was turned over to the Department of Justice and the Department of Justice and, I think, the Senate Committee -- who was it had them yesterday?

MR. EARLY: The Department of Justice only -- the Grand Jury.

THE PRESIDENT: They have had various people up there to ask questions and I imagine, from what I hear from subterranean sources, that there is going to be action pretty soon.

Q The investigation was ordered from the White House?

THE PRESIDENT: It was not ordered from the White House. I think some had already gone to the Department of Justice. I told the Attorney General to go ahead, naturally.

Q What was the character of the complaints?

THE PRESIDENT: All sorts of allegations about the improper letting of contracts.

Q Mr. President, can you tell us anything about silver now that Morgenthau is taking an account of stock?

THE PRESIDENT: No, he is just checking up.

Q You don't care to say whether that presages anything?

THE PRESIDENT: No.

Q As a result of your conversations with Bullitt, have you anything further to say on Russian relations?

THE PRESIDENT: There isn't any news on that except this new Import-Export Bank which is in process of organization. We have not even discussed the people to run it yet.

Q Have you anything to say about the Home Owners' Loan Corporation?

THE PRESIDENT: That is now in the Treasury Department and we expect a report tomorrow afternoon on it.

Q Mr. President, Mr. Woodring, in his article, advocated turning the C.C.C., the complete control, over to the Army. Can we say there is no intention of doing that?

THE PRESIDENT: I think so.

Q Mr. President, you are going to read that article yet. (Laughter)

Q (Mr. Storm) Anything further on the proposed tariff Message, Mr. President?

THE PRESIDENT: No. That is Stevie's (Mr. Stephenson) question, is it not?

Q (Mr. Stephenson) Yes, what is the idea? (Laughter)

Q Have you had an opportunity to prepare your letters to the Congressional Committees on the Taylor Bill regarding control of grazing lands?

THE PRESIDENT: No, I have not. I will probably take action on that in the next two days.

Q Any further discussion of the possibility of an Executive Order withdrawing those lands pending such an investigation?

THE PRESIDENT: I signed an Executive Order yesterday withdrawing a very large area and I couldn't tell you where that is, whether that is it or not, or whether it is part or the whole of it. I signed an Executive Order yesterday withdrawing 1,200,000 acres and you will have to check up and find where it was.

Q Have any other complaints come in to you about contracts in any other branch of the Government?

THE PRESIDENT: Not that I know of. There might be complaints in the

Department of Justice. Of course we are going to follow them up, every one.

Q In connection with the alleged improper letting of War Department contracts, does that go back to past administrations?

THE PRESIDENT: I think so; it goes all the way back -- how far, I do not know. But I think it comes right up to date. I do not think it is only in the previous administration.

Q Senator Wagner suggests you tack $600,000,000. in gold revaluation onto C.W.A. in addition to the items given out on the Hill. Have you given any consideration to that?

THE PRESIDENT: No.

Q Mr. President, would you be willing for Congress to increase the amount of C.W.A.? The proposal now is to increase it to two and a half billion.

THE PRESIDENT: I believe in resting on the Message which went up.

Q Mr. President, I am writing something, generally, about the New Deal and there are four questions to which nobody has been able to give me answers. (Laughter) Will you kindly give me something? Namely, was America, after all, discovered, manufactured, deducted or invented? (Laughter)

THE PRESIDENT: I should say that America is in process of being perfected.

Q Thank you very much.

Q Mr. President, do you think it would aid the credit situation -- in other words, do you subscribe to this discussion in favor of capital instead of having an interest rate of six per cent, to reduce it to five per cent?

THE PRESIDENT: What kind of capital?

Q The theory of reducing the general rate -- instead of having a basic six per cent rate, reduce it to five?

THE PRESIDENT: There isn't any six per cent rate.

Q The accepted rate of six per cent.

THE PRESIDENT: Of course that is such a broad question, when you come to rates of interest on money.

Q That is the topic.

THE PRESIDENT: Perhaps I had better give you this as background, if you want. The theory in the past has been that the rate varied with the security, but, of course, that has not by any means been carried out in practice. For example, in certain portions of the country -- the rural districts -- you cannot get a small mortgage loan on a farm for less than nine or ten per cent, even if it is perfectly good security. That means, immediately, that your rule has gone overboard. That is true, too, to a large extent on real estate loans. On perfectly good first mortgage loans, in some sections and especially in rural districts, the interest rate will be infinitely higher than that on a city mortgage on a new building where the security is not nearly as good.

On a great many of these new buildings that have gone up over the country in the last ten years, the first mortgage was written at five, five and a half per cent, and the security is not anywhere near as good as the small town or farm mortgage where the interest charge is eight or ten per cent.

Of course, where you come down to other forms of lending money, you run into the field of short-term and long-term. Yesterday the Treasury borrowed money, I think it was at sixty-six hundredths of one per cent, that is .66. They borrowed that money yesterday at less than one per cent for six months.

I think we are gradually getting a better understanding of interest and it will come out through this whole reorganization procedure. Excess of interest ought to be eliminated as far as we possibly can eliminate it. At the same time, we have the problem of reducing the debt structure and the reduction of interest will automatically reduce the debt structure because there will be more money in the hands of the mortgagor which can then be applied to amortization.

Of course, I am talking theory now.

You take, for instance, the railroad financing. Speaking generally -- and this does not apply to every road but to the majority of roads -- the interest structure, the fixed charges, bear too large a proportion to the capital of the road, and if, in our refunding operations, we can set up the principal of lower interest and a larger amortization fund, we will reduce the fixed charges and in times of depression will make it less likely that the railroad will have to go through the process of receivership.

Of course, on other debts, I think everybody is working towards the same end. You take, for instance, foreign debts. Let us take foreign debts of foreign governments that are owed to American citizens. Let us take them from the practical point of view. Suppose, for the sake of argument, I had bought ten bonds of some other government a few years ago. They are eight per cent bonds. I know of quite a lot of eight per cent bonds. It is an unconscionable rate. Now, what I do want is to get my $10,000. back and, in order to get it back, I ought to be entirely willing to reduce that eight per cent to four or five per cent if, in so doing, it will enable the foreign government to pay me back my $10,000. What I want is my principal back and certainly it would be very foolish on my part to insist on eight per cent if that jeopardizes the $10,000. I think that is the easiest way of putting it.

Now, that applies all the way through. If we can reorganize the debt structure -- foreign, private, agricultural, real estate, industrial, everything else -- by reducing interest, we automatically make the payment of the principle more probable and we reduce the fixed charges of the country at the same time, thus increasing the probable value of the equities.

Of course, that is all theory and you will find a great many exceptions to it in individual cases.

Q Is there any way you have in mind of going about that, or would it be a voluntary proposition rather than a government proposition?

THE PRESIDENT: Of course, it can be worked out in various ways, either by consent, which is the voluntary method, or else by the new form of receivership, the short receivership, which enables a substantial proportion of the security owners, by agreeing to a reduction, to compel the non-assenting security holders to do the same thing that they have agreed to. That was the bill that went through last year.

Q Can you apply that to municipalities as well?

THE PRESIDENT: I think, frankly, it should be. There are a great many municipalities -- for example, when I was in Albany there were a great many municipalities whose credit was absolutely sound but, because of market conditions, they had to borrow money at six per cent and, from my point of view, that is unconscionable. They ought to have been able to borrow money around four per cent.

Q Do you think there ought to be some procedure for reaching an agreement on debts, such as the Wilcox bill?

THE PRESIDENT: I don't know that bill.

Q That permits them to come into courts in order to get a debt reduction agreement.

THE PRESIDENT: I don't know; I could not answer it.

Q The Wilcox bill provides that seventy-five per cent of the creditors must agree before they can do anything.

THE PRESIDENT: What is the ratio in the bill passed last year?

Q I think it is 66-2/3 per cent. That is on the corporations. It is two-thirds.

THE PRESIDENT: Yes. I think, as a matter of principle, somewhere between sixty-six and seventy-five per cent would be a perfectly proper figure.

Q Have any of the foreign nations indicated their willingness to pay up if you reduce the interest payments?

THE PRESIDENT: No.

Q Could you reduce those interest charges much further? (Laughter)

Q Thank you, Mr. President.

(The Press Conference adjourned at 11.02 A.M.)

CONFIDENTIAL
Press Conference #96,
Executive Offices of the White House,
February 9, 1934, 4.20 P.M.

(The Postmaster General was present at this Conference.)

THE PRESIDENT: Well, I suppose somebody is going to ask me about air-mail contracts.

Q You took the words right out of our mouths.

THE PRESIDENT: The Postmaster General is about to issue an order cancelling all mail contracts -- air-mail contracts. Further details are not yet ready. The ground of cancellation is what is believed to be sufficient evidence of collusion or fraud.

I expect to issue, almost immediately, I have not got it in final form yet, an Executive Order directing the Postmaster General, the Secretary of War, the Secretary of Commerce, with the officers and the officials of their respective departments to cooperate to the end that necessary air-mail service be afforded. Furthermore, that the Secretary of War is to place at the disposal of the Postmaster General such airplanes, landing fields, pilots and other employees and equipment of the Army of the United States as are necessary for the transportation of mail during this emergency by such air routes and on such schedules as the Postmaster General may prescribe.

So much for that.

Q Does the word "emergency" there indicate that later on you may award the contract to private lines again?

THE PRESIDENT: I don't know.

Q Will that be effective immediately?

THE PRESIDENT: We have not worked out the details but very, very soon.

Q Will that bar these people from bidding again?

THE PRESIDENT: I think it does under the law.

Q Five years?

THE PRESIDENT: Five years.

Q Domestic and foreign both?

THE PRESIDENT: Only domestic.

Q It means, in effect, that the Army is taking over the air-mail service temporarily?

THE PRESIDENT: Only where it is necessary. In other words, we haven't the details on all of them yet.

Q Did I understand that applies to all air-mail contracts?

THE PRESIDENT: All domestic.

Q That does not apply to Pan American?

THE PRESIDENT: No.

POSTMASTER GENERAL FARLEY: Not in this instance, it does not.

Q May some of the lines be discontinued?

THE PRESIDENT: I think so.

Q May not this result in permanent return to direct carrying of the mails by the Post Office Department?

THE PRESIDENT: I said we have not got to that yet.

Q Mr. President, reports are circulating this morning that you also intended to cancel all bids received so far on the $10,000,000. motorization project for the Army. Is that correct?

THE PRESIDENT: I do not know; I have not heard anything about it.

Q Do you intend to ask Congress for C.C.C. funds to carry through the C.C.C. beyond June thirtieth next?

THE PRESIDENT: C.C.C.?

Q Yes.

THE PRESIDENT: Yes. I have forgotten whether it is $275,000,000. or $300,000,000. that is going to go in. It is one of those -- somewhere between those two figures.

Q For the fiscal year 1935?

THE PRESIDENT: You had better check on whether it is to the end of the fiscal year or to the first of May. In other words, the next two periods. I could not tell you.

Q Mr. President, have you a successor for Russell Hawkins of the Home Loan Bank Board?

THE PRESIDENT: Not yet; I do not think I have.

MR. EARLY: No, sir.

THE PRESIDENT: How about it?

MR. EARLY: You haven't the Home Loan.

THE PRESIDENT: Are you sure it did not go up?

MR. EARLY: No, sir.

THE PRESIDENT: It is all made out but it has not gone up.

Q Would you care to state your attitude toward the Wagner Unemployment Insurance Bill?

THE PRESIDENT: No, only that we have discussed it a good deal. I think I can put it this way on the Wagner Unemployment Insurance Bill, that both Mrs. Perkins and I are very sympathetic with the general theory of the bill but it is not a bill that I have to send a Message on. There is that distinction.

Q Mr. President, can you tell us what progress is being made on the guarantee of the principal of the Home Owners' Loan Corporation bonds?

THE PRESIDENT: Still talking with the Treasury about it. It has not come to me yet.

Q And no progress, no reports come to you on the procedure for setting up a modernization fund to be used for direct loans? There was an announcement made that they intended to ask for authorization to make loans for new building?

THE PRESIDENT: That is part of the plan. It is a comparatively small amount and would not require any additional budget financing.

Q Authorization?

THE PRESIDENT: Yes.

Q To go back to this Wagner Bill for a minute, does your statement mean that you are very sympathetic towards the objectives?

THE PRESIDENT: Yes, I could not tell you the details of the bill myself.

Q Is your waterways Message going up in the next few days?

THE PRESIDENT: Oh, that will be as soon as the Home Owners' -- you mean in response to that resolution?

Q Yes.

THE PRESIDENT: Oh, it will be six weeks. We have an interdepartmental committee working on it. It will take a long time.

Q Has any consideration been given to the contributions to be made to state highway construction during the next year? This allocation of Public Works funds is about used up, I understand.

THE PRESIDENT: No. Of course you have to remember one thing and that is that the peak of last year's appropriation won't be reached probably until next summer.

Q The actual work, you mean?

THE PRESIDENT: Yes.

Q Senator Dill said today that he is going to introduce a Communications Commission bill. Do you care to outline your views on that?

THE PRESIDENT: No, except that he came down this morning and we talked it over, and the next step is for him to show me his proposed bill.

Q Mr. President, is there anything to be added to what Colonel Roosevelt (Colonel Theodore Roosevelt, who had been Governor of the Philippines under the previous administration) told us today with respect to your discussion of the Philippine independence question?

THE PRESIDENT: No, I was just getting background.

Q Mr. President, is there going to be any further conference at the White House with Congressional leaders on stock market regulations?

THE PRESIDENT: I don't think so. On that stock market, as a general thing, I think for background it would be useful for you to read the Democratic platform in regard to this whole subject because it is very, very clear and something that should not be entirely forgotten.

We are really trying to carry out the purpose of the platform and we have already carried out a good portion of that purpose. The platform says, "We advocate protection of the investing public by requiring to be filed with the Government and carried in advertisements of all offerings of foreign and domestic stocks and bonds true information as to bonuses, commissions, principal invested, and interests of the sellers."

Of course, the Securities Act is intended to cover that.

Then the next is, "Regulation to the full extent of Federal power of (a) Holding companies which sell securities in interstate commerce." That has not yet been completely taken care of.

"(b) Rates of utility companies operating across State lines." That has not yet been taken care of.

"(c) Exchanges in securities and commodities." My Message yesterday covered that phase.

And then, the rest relates to the banking end of things that has been pretty well carried out all right through last spring's Banking Act.

Q Are the details of the Bill which went in today satisfactory to you?

THE PRESIDENT: I have not read them. I don't know them.

Q In the light of the Securities Bill, do you contemplate one of a similar nature for the commodity exchanges?

THE PRESIDENT: Yes. I recommended that yesterday and it is up to them on the Hill as to whether they want it in one bill or in two separate bills.

Q Thank you, Mr. President.

(The Press Conference adjourned at 4.30 P.M.)

CONFIDENTIAL
Press Conference #97,
Executive Offices of the White House,
February 14, 1934, 10.40 A.M.

THE PRESIDENT: Good morning, Fred (Mr. Storm). Was he (meaning Mr. Stephenson) up late last night?

Q (Mr. Storm) Yes, sir.

THE PRESIDENT: You ought to take better care of him. I will lend you the Marines, if you want.

Q We need somebody to take care of us.

THE PRESIDENT: Grand. I have not made that appointment for you yet.

Q Are you going to?

THE PRESIDENT: I have not done anything about it.

Q (Mr. Stephenson) Better ask Miss LeHand to watch out. We may ask her a question or two today.

Q (Mr. Storm) They are complaining about my size. They can't see. I told them I'd fill them in.

THE PRESIDENT: I do not think there is anything in particular this morning.

Q Anything new on the air-mail situation, Mr. President?

THE PRESIDENT: Not that I know of. There is a letter going up from the Postmaster General and I think one from the Secretary of Agriculture to the Agricultural Committee. I do not think it is done yet.

Q Mr. President, are you planning on a Cabinet Commission to handle inland waterway problems or inland waterway commissions?

THE PRESIDENT: Both Houses passed resolutions about two weeks ago asking for some kind of a comprehensive plan. It originated from the fact that we, frankly, had no real plan that would take care of rivers and harbors and reclamation and forestry and so forth. There is a Cabinet committee at work on that at the present time. They probably won't get a report out for another three weeks because it is so big.

Q Who heads that up?

THE PRESIDENT: Let me see, there is Agriculture, Interior, Commerce, War -- I don't know whether Labor is on it or not but I think so.

Q Would this have anything to do with the St. Lawrence Waterway Development, for example?

THE PRESIDENT: No, merely as one of the watersheds. The general idea is this: That we have been going ahead year after year -- you can use this as background -- going ahead with rivers and harbors bills and various other pieces of legislation which were more or less dependent, as we all know, on who could talk the loudest. There has never been any definite planning and the general thought is that we will try, out of this report, to get a permanent planning commission.

This commission will be non-political, non-partisan and this commission will study the whole area of the United States, and the easiest way to do that is by watersheds.

For example, they will study the needs of all of the territory affected by the water that flows into the Atlantic Ocean and then they will list the projects within that watershed in the order of their importance from two points of view: First, the point of view of danger and damage to life and property which includes soil erosion and things like that. Secondly, from the point of view of economics as to whether a new canal is needed or something of similar character. Then there is a third point of view which might be called the social point of view as to whether a territory should have land eliminated from cultivation or whether it could support a greater population.

Then, another survey would cover the watersheds of the rivers that flow into the Gulf, directly into the Gulf, excluding the waters from the Mississippi River which really form a problem all themselves. Then there would be a further study of the waters flowing into the Pacific Ocean.

On each of these watersheds, the idea is that this commission, which probably eventually will become permanent, will list the projects in the order of their importance and, having so listed them, recommendations would be made to the Congress with, of course, full authority in the Congress to change the recommendations. They could change them any way they wanted because that is, essentially, a legislative prerogative.

This permanent long-range planning commission could plan ahead for twenty-five or fifty years, subject of course to changing conditions as time went on. Then, every year -- and this carries out what I was talking about a couple of weeks ago -- the National Government would plan to spend some more or less regular sum which, in a sense, would take the place of the public works money and would be used primarily to relieve unemployment which we will always have with us in one form or another.

This plan would put the physical development of the country on a planned basis for the first time. Of course it would include a great many factors. It would include flood-control, soil erosion, the question of submarginal land, reforestation, agriculture and the use of the crops, decentralization of industry and, finally, transportation.

Q And water power?

THE PRESIDENT: And water power.

Q This can be called your land plan?

THE PRESIDENT: Yes. Land and water. Of course it is based, in a sense, on water -- on watersheds -- because this whole thing ties around the problem of the watersheds rather than other types of geographical lines.

Q Do you still have an idea of taxing the use of the water highways?

THE PRESIDENT: That is being studied at the same time. In other words, so far as possible, with all these developments, they ought to be put on a self-sustaining basis, if it is a possible thing to do it. The Government spends at the present time on mere maintenance of existing rivers and harbors and channels, etc., somewhere between 60 and 70 million dollars a year which is an out-of-pocket expense for which the Government is practically not compensated at all. We are studying the possibility of getting back at least the cost of upkeep.

Q Is there any reason why the St. Lawrence Waterways action should be withheld pending the development of this general plan?

THE PRESIDENT: No.

Q Will you go further on the decentralization of industry, what is meant by that?

THE PRESIDENT: Well, the general thought is that there are large areas of the country where farming, by itself, will only provide perhaps a bare subsistence so far as food goes. In other words, the farmer won't bring in a cash crop, and people have to have a certain amount of cash to live on.

Therefore, the idea is to try experiments on the decentralization of industry so that the people living in those parts of the country where they cannot make a profit on farming will be able to do some farming and get a cash crop in the way of wages for part-time work during the year. One thing they are studying, which is not quite parallel, is in connection with the forestry organization. In some of our forest areas which are primarily used for timber, I think we can well adopt what they have done in certain places in Europe where the population of that area lives on small farms, getting their food off the farms. However, it is such mountainous country that they cannot make a profit, they cannot get cash in addition to food, and therefore, during the wintertime, that population as, for instance, in the Hartz Mountains and Black Forest has an average of one person out of each family working in the forests during the winter for cash wages. In that case your forestation or timber cutting is an industry.

Q Then you don't mean taking out factories where they are pretty close together?

THE PRESIDENT: Oh, no. Of course there is probably too much centralization in some areas, but the law of economics will take care of that. This is no wild-eyed idea of moving millions of people overnight.

Q A project by the Rivers and Harbors Board, will it first go to the Cabinet Board before Congress?

THE PRESIDENT: Now you are talking about mechanics. I don't know how it would work out. Essentially the Committee is getting all the information from the Board of Engineers of the Army.

Q Does this mean there would be any more allocations from Public Works at all for river projects?

THE PRESIDENT: Oh, heavens, no. This is a gradual conversion of the theory of public works into an orderly annual process.

Q Would it be --

THE PRESIDENT: (interposing) And the elimination of the old methods of river and harbors bills.

Q Do you think that the allotments made by the Public Works would be revised to fit this plan after the report is in?

THE PRESIDENT: Yes, I think that is true. I will give you an example on that. As you know, there are a great many projects that come in. Take this Trans-Florida Canal. There is no reason why it should not be known. I personally have been very keen about the Trans-Florida Canal and I believed that it was possible to build one for a price that would return at least the cost of upkeep and perhaps a small margin toward the retirement of the cost.

The Army Engineers made preliminary surveys last spring of two or three routes and figured out $110,000,000. to $125,000,000. as the cost.

We had no board, no central committee, to which we could refer it, to which we could refer the general necessity for a Trans-Florida Canal, so I had to more or less handle it myself. I had a very careful recheck made by the Army Engineers on the cost of it and the probable use of it, if built. Well, the recheck was very discouraging. They figured out that it would cost $175,000,000. to $200,000,000. and that the use of it would not be as great as we had expected.

So, until something else turns up or we get new figures or increased traffic, the Trans-Florida Canal is unfortunately overboard, much to my disappointment.

Q Was an allotment made for it?

THE PRESIDENT: No.

Q The House today takes up the tax bill and, among other things, there will be a controversy over there about depreciation charges. There has been something said about depreciation charges on the barns on your farm. Have you thought about that problem of depreciation?

THE PRESIDENT: Yes, a great deal.

Q What can you tell us about it?

THE PRESIDENT: The story of my barn is a very simple one. I bought the back farm at Hyde Park about 1910 or 1912, as I remember it, and I sent for an insurance appraiser to tell me how much I could insure the house and the chicken coop and the barn for. He said, "I can insure the house for $4,000. and I think the barn for $4,000." In making up the income tax every year, I took what everybody else took -- I have forgotten whether it was 2½ or 3 per cent depreciation on these old wooden buildings. Actually the barn was built in 1790, so I started 110 or 112 years later to take depreciation on that barn and I took it at the rate of 2½ or 3 per cent a year on a building 120 years old. The barn burned down in 1928, I got my $4,000. and the farm was worth exactly as much without the barn as with the barn.

Q That so clearly demonstrates this depreciation. May we use it?

THE PRESIDENT: I think so. I don't know enough about the technicalities of law to tell you what ought to take its place, but I do know the law is wrong in some way.

Q Do you know whether it ought to be changed by administrative changes or in the law itself? The House Committee at one time wanted depreciation charges reduced by twenty-five per cent and now they hope to do something about the situation through administrative channels.

THE PRESIDENT: I don't care which way, as long as it is done.

Q One of the papers this morning said that the Federal Reserve Board is about to set up twelve regional banks to make loans to industry?

THE PRESIDENT: I know that Governor Black is coming in to lunch with me tomorrow and says he has three or four things to talk over with me.

Q We have a report that Peek is leaving the Government service this week?

THE PRESIDENT: Not that I know of. There has been no conference.

Q What is the status of his plan and that of the others?

THE PRESIDENT: I don't know. They have had the Committee working on it and I am going to see them tomorrow or the day after, the Secretary of State, George Peek, the Secretary of Commerce, et cetera.

Q There is a report this morning that the American Minister to Austria, up in Philadelphia, is coming down to see you today?

THE PRESIDENT: Is he coming?

MR. McINTYRE: (Mr. McIntyre at first indicated affirmation.) No, I am confused; I was thinking of George (Governor Earle of Pennsylvania).

Q Can you comment on the C.W.A. tapering off starting tomorrow, the fifteenth?

THE PRESIDENT: I do not know; you will have to ask Harry Hopkins. I imagine that in certain of the agricultural sections down south, where they started plowing, it will start to taper off.

Q There is a report around Wall Street that the Administration is not going to press for legislative action at this session on Stock Exchange regulation. Has there been any change of policy?

THE PRESIDENT: It sounds like a Wall Street report. I believe that we should take action, not only on Stock Exchange regulation but also on commodity markets regulation, for the very simple fact that it is in the platform, both of them.

Q Do you favor the bill in its present form?

THE PRESIDENT: I still am able to say truthfully that I have not read it.

Q Secretary Morgenthau intimated that you are about to do something on silver?

THE PRESIDENT: Not that I know of.

Q The morning papers have stories to the effect that you plan to restore some of the contracts (air-mail contracts) before the end of this week. Have you any plans with regard to air mail that you might throw light on for us?

THE PRESIDENT: I don't suppose I ought to talk about it at all because it is primarily a matter for the Postmaster General and the Attorney General. I think, however, off the record, so you don't get any bum steers, the general situation is that all of the lines, with one exception, are in trouble because of the conference which the former officials of the Post Office Department took part in in 1930. That one exception is the National Parks Airways and it does not seem wholly clear, although their man was present in this famous meeting, it does not appear clear that they obtained any wrongful advantage out of the subsequent lettings. I think that is, as far as I know, the whole story when you come down to the details of what happened in the meeting.

Q Are there any grounds for action against individuals?

THE PRESIDENT: I haven't any idea; I do not know.

Q In view of the fact that these contracts have been cancelled, do you care to outline what you have in mind for the future of air mail?

THE PRESIDENT: I am not ready on that either. The Executive Order was, of course, based merely on the emergency, the necessity of carrying the mails, caused by the termination of the contracts and that is, literally, as far as we have gone. What will be the permanent method of carrying the mails, I do not know. We have not come to it yet.

Q Can you give us any indication of what will happen in the case of the ocean mails? Black's Committee is talking about very questionable practices there although precisely not of the same nature.

THE PRESIDENT: That is being studied and Black isn't through with his work up there. I think he is doing very good work.

This is perfectly true, too, under the ocean-mail contracts: In the first place, they have been called "mail contracts" in a great many instances where they ought to be called straight subsidies. We ought to call them by their right name. Let us take a line, for example, from Texas to London, that carries perhaps ten pounds of mail in the course of a year. If we are giving them subsidies for the obvious purpose of keeping that line of American flag ships going it should be called a subsidy rather than a mail contract. It was silly to pay them $75,000. to $100,000. for carrying ten pounds of mail.

In the same way probably, through this subterfuge, we have been giving mail contracts to a whole lot of lines that ought not to have carried mail. Take a very simple example. It would be silly for a line of freight ships from Norfolk, taking three or four weeks to perform a voyage, to carry the mail. It would be much easier and quicker and, in the long run, cheaper to send the mail to New York and cross the ocean on a fast ship.

So there undoubtedly will be a complete reorganization of the ship-mail subsidies. I want to call it by its right name, a "subsidy" and I do believe, in the case of ship subsidies, that we should give ship subsidies in this country because of the higher wages and better conditions that we are giving to American sailors. Without some form of Government help, a subsidy, those conditions would in large part drive the American flag off the ocean.

Q To go back to the air mail for a moment, the National Parks Airline is, unfortunately, one of the lines not operating now.

THE PRESIDENT: Is it? (Laughter)

Q I mean it is one not restored and yet you made an exception by saying it is one to be restored. Which is it?

THE PRESIDENT: It is just out temporarily or for the winter. Doesn't it run during the summer and then is cut down in the winter?

Q The correspondence showed that it operates in June, July and August. This last year they finally barred that out.

THE PRESIDENT: I think it is a season line.

Q Yes, sir; largely through the summer and fall.

Q Thank you, Mr. President.

(The Press Conference adjourned at 11.10 A.M.)

CONFIDENTIAL
Press Conference #98,
Executive Offices of the White House,
February 16, 1934, 4.10 P.M.

THE PRESIDENT: What is the news?

Q (Mr. Stephenson) I don't know.

THE PRESIDENT: Being Friday, we might just as well put the lid on tomorrow and the next day. Everything is quiet.

Q Can you tell us anything about this heavy industries bank?

THE PRESIDENT: Export-Import Bank?

Q No, the A.P. story yesterday about the creation of a new intermediate bank to loan money to heavy industries, as I understood it.

THE PRESIDENT: My, my! I did not read the story, but there isn't anything like that in contemplation. The nearest thing is that Governor Black has been checking with Secretary Morgenthau and with me about the possibility of setting up some method of facilitating loans to industries as a whole. That does not mean heavy industries. One of the several suggested ways of setting it up might be called intermediate credit banks, one in each Federal Reserve District. You know, at the present time, under the law, if a concern wants to borrow money on commercial paper, for instance, and it cannot get accommodations at its local bank, it has the right to borrow from the Federal Reserve Bank of its District. But, actually, there is no practical machinery set up for carrying that through, and it is only in a very few Federal Reserve Districts -- Atlanta is one of them -- where any loans have been made by the Federal Reserve Banks. The theory is merely to facilitate the extension of credit of that kind, and it is in a very, very tentative stage.

I don't think there is any particular story because that is only one of a number of particular ways that is being talked over. There is no agreement on whether that would be the way or not.

Q The reason I said heavy industries was because the loan would be perhaps of five years' period, which would suggest buildings or something of that kind?

THE PRESIDENT: Yes, it would be a little bit more than a current order.

Q Mr. President, can you tell us who you have in mind for the presidency of the Import-Export Bank?

THE PRESIDENT: I do not know. There is some legal question in that whole thing.

Q There are reports published this morning that you had abandoned sending your Message up on debts. Is that correct?

THE PRESIDENT: It is not ready yet.

Q On the Export-Import Bank what are the legal difficulties? Can you go into that?

THE PRESIDENT: No. It is some question that has arisen. It is too technical to explain.

Q Is the tariff Message going up?

THE PRESIDENT: Nothing yet.

Q Have you heard anything from the railroad people about the wage dispute?

THE PRESIDENT: No, nothing on that.

Q Do you feel there is a very serious friction?

THE PRESIDENT: What was the hypothetical question?

Q I want to know if you felt the friction.

THE PRESIDENT: It is in many lines, yes.

Q Do you feel there is still a great need for the Government to extend credit?

THE PRESIDENT: I would say there is a great need in many lines for a greater extension of credit.

Q Will you tell us what will be the next steps in the Philippine independence question?

THE PRESIDENT: I think you will have to get that up on the Hill. In other words, I think that up there they are working out something and I am not yet in a position to say anything myself until I find out a little bit more about it. But it does look as if they are getting somewhere.

Q Are you working on either the debt or tariff Message now?

THE PRESIDENT: No.

Q Mr. President, have you heard from Whitney, the railway man?

THE PRESIDENT: No, not for three days or four days. He was in either on Monday -- I told him that I had not had a chance to talk with any of the railroad executives but, after talking with them, I probably would send that letter and I did talk with Gray (Mr. Carl Gray) and did send a letter to both of them.

Q Did they say anything about a strike?

THE PRESIDENT: No.

Q Do you hope to see a Senate vote on the St. Lawrence Treaty this session?

THE PRESIDENT: I hope so.

Q What is the indication?

THE PRESIDENT: I don't know. I hope it will come up and get voted on.

Q They seem to be waiting on you?

THE PRESIDENT: No, I do not think so.

Q At Mr. Hopkins' Press Conference this morning, he suggested certain other devices for meeting the C.W.A. needs after May first through other Government agencies. I wondered if you --

THE PRESIDENT: (interposing) Unless he was talking about the taking on (of men) by P.W.A. around that time.

Q This Cabinet meeting on planning, was it that?

THE PRESIDENT: No, that has nothing to do with it. That is long-range planning.

Q He was talking about long-range planning, where the future of these people would be laid down.

THE PRESIDENT: After this year. This long-range plan would not affect this year.

Q He referred to a gradual absorption of it.

THE PRESIDENT: In future years. That is an entirely different subject itself. It had nothing to do with what will happen this spring.

Q The question was, What would happen after May first? and he mentioned this long-range plan in connection with that?

THE PRESIDENT: Had nothing to do with this year, obviously.

Q Putting the question another way, what will be done with the C.W.A. workers in the cities that will be let off May first?

THE PRESIDENT: I think that we took it up, it must have been about a month ago, and we talked about the general results with respect to the C.W.A., as you know. I think you had better use this just as pure background and nothing else.

Obviously, when C.W.A. was put in, the whole country had underestimated the actual unemployment. You will remember that we all went on figures of around twelve million people. This is all old stuff, I have talked about it before. We figured that through the general pickup in business, N.R.A., et cetera, somewhere around four million of them had gone back in industry and probably a good many more had gone back who had been actually earning something on the farms. That would have cut down the total of those figures to under eight million and then, if we put four million to work under C.W.A. during the winter months, it would reduce it to below four million. But actually, when we came to the checkups, there were a good many more than three or three and a half million unemployed, so we went back to the original figures, the estimates of twelve or thirteen million, and we had to revise them. It was apparent that there were a good many more people out of work than shown by the very best figures obtainable through 1933.

To come down to the question of what happens this spring. Of course this is still a hope and nobody can do more than make an intelligent guess. We hope that a good many of these people laid off will go back into industry, that a good many will go back into agriculture, and that a good many will go into public works which will be fairly well in its stride by that time. Now, that does not mean that all four million people will be actually in a position to get employment during the summer. Some will go into industry, some into agriculture and some into public works, and probably there will be some left over during the summer months. But we do hope that with the general pickup that condition will get better as the summer goes on, and even more so in the fall.

But we are not going to bind ourselves as to what will happen next winter. We are not going to tell people stories. We hope we won't have to reconstitute C.W.A. on a scale like this year, but we are not going to let people starve. However, that is a problem for the future, and one which we cannot determine in February or March.

Q Are you planning a conference on air-mail legislation?

THE PRESIDENT: I do not think so. I do not think there is anything coming up.

Q There is a report up on the Hill that Secretary Hull had suggested that the United States Government take some -- make some representations to the Dollfuss Government about conditions over in Vienna. Is there anything you can tell us about that?

THE PRESIDENT: Not that I know of. That is the first I had heard of it. I guess there is nothing in that.

Q There are two vacancies on the Mediation Board. Are they going to be filled?

THE PRESIDENT: No.

Q Does that mean you are contemplating some reorganization of that Board and the Act under which it functions?

THE PRESIDENT: Yes. As far as we got on that is this: Eastman is checking up on proposed legislation and it is possible that the Board of Mediation will be, in some way, reconstituted. You are probably familiar with the legislation. I do not know the details of the legislation except in general terms it would provide for simplifying the mediation machinery and, pending the outcome of that, I am not filling those places.

Q Mr. President, does this all link in with Eastman's recommendations for changing the labor provisions under the Emergency Act?

THE PRESIDENT: Yes, it is all tied in together and all one bill, probably.

Q Do you expect that to go up soon?

THE PRESIDENT: I think Eastman ought to be ready on it in a week.

Q I do not think you mentioned it in your letter to the railway presidents. Is that another reason why they should hold off?

THE PRESIDENT: No, I did not use that as a reason.

Q What is the status of the Newspaper Code and particularly the Graphic Arts Code?

THE PRESIDENT: The status is myself. It is actually -- I have got it off my desk and got it into the basket so it will be acted on, I hope, over the week end.

Q How far does your endorsement of the revised Bankhead Bill go -- on compulsory cotton control?

THE PRESIDENT: I wish you would let me not answer that question now. I think something is going to happen and I would rather it break the other way. You can make a pretty good guess on it.

Q Have you read the Stock Exchange regulation bill yet?

THE PRESIDENT: It is not even on the desk yet.

Q There is a report on the Hill that either in the war debt Message or in a separate Message you are expected to ask legislation in order to make a concession to Finland because it has kept up its payments. Anything to that?

THE PRESIDENT: You are two months ahead of time.

Q Does that mean a debt Message is not going up in two months?

THE PRESIDENT: Maybe. Frankly, I have not given any consideration either to the tariff Message or the debt Message, any more than I had two months ago.

Q You received the new Japanese Ambassador this week and exchanged greetings in which you said that you thought that any problems should be settled amicably. Do you care to go into that at this time?

Q Are there any discussions coming up on that?

THE PRESIDENT: Not that I know of. The State Department is the place to ask.

Q We noticed he told you that anything done in the Far East would be in the interests of peace.

THE PRESIDENT: (The President did not answer.)

Q Thank you, Mr. President.

THE PRESIDENT: I do not think there is a single conference on over the week end.

Q That is good.

Q The problem in Detroit regarding C.W.A. is a little different than in some other places because there was a surplus of labor before on account of overexpansion of industry there. Even if industry picks up one hundred per cent in Detroit, there would be a good many people there who would be left unemployed and the number left unemployed would be a rather staggering figure.

THE PRESIDENT: Of course there are all sorts of things that Detroit has been working on. They are even working on the possibility of moving a lot of people out back to their own states, to where they came from.

Q Would it be a bad thing to speculate on that?

THE PRESIDENT: That is a local thing. I am simply telling you what happened in Detroit. Frank Murphy had all sorts of ambitious plans to move out 25,000 people.

Q Thank you, Mr. President.

(The Press Conference adjourned at 4.30 P.M.)

CONFIDENTIAL
Press Conference #98-A,
With Members of the National Conference
of Business Paper Editors,
Executive Offices of the White House,
February 16, 1934, 4.30 P.M.

(Mr. Paul Wooton, Washington correspondent of the McGraw-Hill Publications, introduced Mr. Anderson, President of the Association.)

Q (Mr. Wooton) They have a few questions they want to ask.

THE PRESIDENT: Fine.

Well, I will consider that Mr. Wooton has introduced everybody representing the people behind the business of the country, so if you have any thoughts I hope you will consider this one of the old-fashioned Press Conferences. We will go ahead.

Q (Mr. Anderson) I do believe this represents a pretty good bellwether of business because, if you will remember, the last time we were here there were just a few of us sounding the blues. Now we are an aggregation. With that I will let Mr. Ed Warner talk.

Q (Mr. Warner) Mr. Anderson has asked me to say a word on behalf of the group about one or two of our special interests. We cover a diversity but there are some points on which we are all confused. In particular, we are a puzzled unit trying to assist and advise our industries in cooperating to help you to succeed in your economic program. But, beyond that, we have interests that affect all our fields.

In particular, we are, of course, deeply concerned with any technological advance. We believe, of course, from our background that the only hope of a steady improvement in the standard of living and a steadily increasing ability of industry to give better services at lower costs lies in the further promotion of technological devices in the improvement of equipment and machinery. We are deeply concerned, however, with what appears to be the alarming slowing down of re-equipment of industry at the present time. Of course, almost everyone is familiar over the past few months with the fact that the capital group of industries have suffered a loss of seventy per cent of their pay rolls at the bottom and the consumer goods industries have also suffered but have recovered substantially. We know our industries badly need new equipment.

We find our industries sound. But, beyond the recognition of the need and before that dammed-up purchasing power that has been deferred can be released, we must first regain confidence and, secondly, some devising of appropriate methods of financing. I am sure if we had canvassed the entire business world on the one subject that was of greatest interest, that would have been the one selected. I know that is a matter of vital concern to you. I think it is on that subject we most of all desire your special counsel, as has been indicated by the subjects laid before you.

THE PRESIDENT: That is one of the questions with respect to the capital goods industry that I have been devoting a lot of time to since last March and April, and there are a great many crosscurrents. Insofar as equipment and re-equipment, replacing and improving the technological methods go, I think we can all be absolutely at one. We want to do everything we possibly can to encourage re-equipment, to encourage the bettering of machinery. I have not given the slightest indication of saying that our Government is going to scrap machinery and go back to plain man power. I do think there has been such a complete lack of planning in the past in regard, not to equipment, but in regard to the total capacity of production that we have fallen into our own trap. There are a great many examples that you can bring up. For instance, you know, a couple of months ago I had a question up with the four companies that make steel rails in regard to the price that they were asking and, being half Dutch and half Scotch, I got a pretty good bargain out of them. But, in the course of the conversation, I said to them, "How much can you turn out in the way of steel rails a year?"

Well, there was U. S. and Bethlehem and Inland and Colorado Fuel and Iron -- those were the only four companies who make steel rails. They said, "We can turn out 4,000,000 tons a year." I said, "I have checked with the railroads and there isn't a Chinaman's chance that the railroads are going to need, on the average, over the next ten years, more than one million tons a year. How did it come that you fellows went ahead and built a plant capacity of four million tons when the railroads only need one million tons?" They said, "It was lack of planning."

That is an illustration that brings up one of the absolutely unsolved problems of the future. We do not want for a moment, and nobody wants to prevent John Smith, who has never been in the shoe business in his life from going ahead and going into the shoe business, if he wants to. On the other hand, ought not we to tell John Smith before he goes into the shoe business that if all the shoe factories in the United States were to produce, they would turn out between eight and nine million pairs of shoes, and the country uses only three million pairs of shoes? Therefore, John Smith, be warned. If you have a new method of turning out shoes, go to it but remember, when you set up a new factory and turn out shoes, you are going to put another factory out of business. If you employ a thousand new people, you are going to put another thousand out of business.

One of the things we all of us have to give more consideration to than we ever have before is facts and figures to present to people who are about to go into a large capital investment which would result in overproduction in some particular individual industry where there is, already, overproduction.

In other words, every time you merely increase the units which make for additional overproduction, you drive somebody else out of business and, every time you do that, you have a loss and it is a capital loss as well as a loss of actual employment. Frankly, we have not the answer to it yet. I do not know what it is and you people have more time to study it because you are more or less specializing in one particular field. I have -- I think somebody brought the figures yesterday -- 215 different fields of action to run the United States. You people have only got to have ten or twenty, so I wish very much you would set your minds on that particular problem so that we can avoid the waste of capital in new industries, new plants, which we have been subjected to in the past because of lack of planning.

Now I agree absolutely that we would not want to prevent or check technological improvement. I am all for it just so long as it is done with our eyes open, and if somebody comes along with a technological improvement which we know is going to drive some old fellow out of business, we want to take care of that old fellow and find something for him to do.

Q We are particularly concerned with the devices which the old, established shoe factories may acquire and put into service in their old plants and scrap the obsolete and uneconomical machinery.

THE PRESIDENT: Frankly, you and I know that while some of the old stories about the strike on the part of some of the bankers are exaggerated, there is some fire behind the smoke and that capital has not been provided as much or as readily as it should have been provided for technological improvements and the scrapping of outworn machinery. We are doing everything we can to encourage the lending machinery of the country to put the money out for legitimate purposes. They have used all kinds of excuses before, up to the present time. They said that we did not have a monetary standard, that they did not know what the dollar was going to do, et cetera, but they are finding out over a period of months that the dollar is not so very different and that, undoubtedly, we must increase the general values as a whole to make the payments of the debts of the country, which were incurred under a different dollar on the average, to make the payment of those debts more easy. But we are not going through what Germany went through by dilution, deflation? or even England went through by dilution. We are doing it very gradually and we have not an awful lot further to go. We have gone along part of the way already. So the lending sources have not the same excuse for holding back that they had before and if there is any way we can help in the putting out of additional credit, we are going to do it.

I was telling the White House Press just now -- we were discussing the possibility of creating a device which the Chairman of the Federal Reserve Board, Eugene Black, has suggested, of creating some form of what might be called an intermediate credit bank for every one of the twelve Federal Reserve Bond Bank ? districts -- that is one of the suggestions, there have been half a dozen other suggestions -- so that the Federal Reserve Board in each district would, in a sense, be responsible for a direct loan to an individual industry instead of having to come down here to the R.F.C.

If there is anything we can do along that line, I hope you will let us know.

Q That subject of shoes is rather interesting to me. I happen to have a shoe trade paper and I have always challenged ~~Stewart~~ Stuart Chase's nine hundred million or eight hundred million because the actual published figures within the industry indicate that it has a plant capacity of five hundred and fifty million and we are subject to these tremendous peaks and valleys of the public demand. They will not have shoes that are not in fashion at the time they want them, and the natural result is that shoe machinery has been a thriving business, even during the worst period -- and the last month was during August (in 1933) -- due to the fact that we had obsolete forms of machinery to make the old and everybody wants the new. It seems to me that we have solved the difficulty because of the whims of fashion and the woman.

THE PRESIDENT: Yes, the ladies are responsible for much. (Laughter)

(At this point Mr. Early handed the President a memorandum which had been prepared in connection with this conference.)

I had not seen that. (Reading)

> "1. To date the administration program to promote relief and recovery has consisted largely of government spending. Isn't the next step in the recovery program to open up channels for financing industrial developments from private sources?"

Well, I was just talking about that. (Reading)

> "This money can come only from --
>
> "(1) Profits from improved industrial operations - either from increased volume at present efficiency or from the same volume at increased efficiency
>
> "(2) Accumulated surpluses now held by a few companies"

Well, of course, in addition to that we have a very large volume of excess bank credit which exists today. It is no secret that probably excess bank lending capacity is bigger now than it has been at any time in the last fifteen or twenty years. (Reading)

> "2. How far can the government assist in the financing of capital-goods purchases to meet the needs of private industry, in order to take up the added slack in the capital-goods industries when expenditures for public construction slow down?"

As I said before, I do not want to put the R.F.C. into the business of making direct loans to individual firms if we can possibly help it. You know what would happen if you centralized that business in one board in Washington: One would come in with a perfectly good demand or a request for a loan and would get it and somebody would come in the next day with a request not based on sound financing and he would start to get turned down and then his Congressman and Senator would come around and it is going to be terribly hard for one central body in a political capital to discriminate between individuals and corporations seeking loans. Therefore I think it is a far better thing to work out a perfectly fair banking institution which will be more local in its scope, like the Federal Reserve Districts or something of that kind, and which will be controlled insofar as its policies are concerned by businessmen rather than bankers.

I think that is a pretty sound differentiation to make; in other words, making the directors of that corporation the leading businessmen and industrialists of the Federal Reserve Districts rather than the leading bankers of the Federal Reserve Districts. The industrialists themselves know better than the bankers do what firms should get loans and what should not.

And then, (reading)

> "3. Is it the administration policy that recovery cannot be permanent until job security has been attained by compulsory unemployment insurance; sickness, accident, and death benefits; old age pensions and other social legislation?"

Well, the answer to that is that we are headed right that way and we have been for twenty years and we have not stopped. There is no question about it, we will have to have some form of unemployment insurance. But on all of these plans I think we are all agreed, business and Government, that we want to keep away from the dole method, that it ought to be put on an actuarial basis insofar as we possibly can; in other words, that it should not be a straight handout by Government. It ought to be on a contribution basis, whether it be unemployment insurance or sickness or accident insurance or old age pensions or anything else. What I have always said when I was Governor of New York was that it was probably a great mistake for Government to do more than pay for the overhead and administration costs, that they might be considered a legitimate Government function but that the actual fund should be set up and maintained through the contribution system, roughly half from the employer and half from the employee.

Now, the country is not educated up to all of those things yet. It is, in some states. Some states run away ahead of others in that regard. For instance, you have workmen's compensation in the State of New York and you haven't got it on the other side of the line in Pennsylvania. Gradually we are coming to it, in my judgment, and the more that we can educate towards uniformity in that respect, the better it will be for everybody because it is unfair to the manufacturer in, let us say, New York and Massachusetts which are pretty far advanced in that type of legislation, to have to compete with the manufacturer in another state, down in Georgia, that hasn't any legislation of that kind. It ought to be made as uniform as possible.

On the other hand, the Federal Government cannot go ahead with it all alone because there are grave questions as to whether the Federal Government has the constitutional right to enter into all of these insurance plans. The suggestion has been made, and I think probably some of you know about it, what is known as the Wagner-Lewis Bill, which is only, so far, in tentative form, but the general principle of that bill is that there should be a Federal tax put on, say at the end of a couple of years, on every employer, all over, who employs -- I have forgotten what it is -- ten people or more, and thereupon any employer who takes out unemployment insurance in acceptable form, either under a state plan or private company plan, would have that tax remitted. In case the employer did not do it, the tax would go to the Federal Government and, in effect, would be used as the basis for unemployment relief, and that would be the source of unemployment relief funds.

Now, that method is well known in Government. In other words, the Federal Government in effect says to the states, "Go ahead and set up something like this. If you don't, then we will put a tax on." It is an incentive, or some people would call it a bribe to the states to go ahead and enact some form of legislation. Of course the chief purpose, as I said before, the chief purpose and objective of all this is to get a uniform system over the United States. If every state does the same thing, it is not going to hurt the individual employer because he would have exactly the same conditions no matter where he happened to have his factory and his competitor would have the same conditions. (Reading)

> "4. Looking forward to the time when recovery can be considered as complete, upon what principle should the line be drawn between publicly and privately operated business enterprise?"

Now, that is too broad a question. I don't quite get it. What, for instance? Give me an example.

Q I will undertake it. Assuming we get out of an emergency condition where everything has to do with recovery. There are certain lines of activity which have been Government, some private and some on the line between. Now, we are all thinking along new lines. To what extent does it appear that the line ought to be shifted and that local government or state government, with Federal cooperation, should take over the lines that have been private?

THE PRESIDENT: I do not think we should change very much one way or the other. Of course the only change we have made is in regard to certain forms of electric utilities where I have come out with a stick, but the necessity of wielding a stick over the utilities has been apparent for a long time. We could not get into their books and, if we did, they took us to court for twelve years. So, eventually, the Government had to do something to protect itself.

Now, there are some lines of industry that have a public character besides utilities but not an awful lot. If the steel corporations, the four of them that turn out steel rails, won't let me go into their books and find out whether they are making 75% or 3%, the Government has to do something about it because, after all, a steel rail goes on a railroad, which is a public utility, and I cannot sit here and let the railroads of the country pay a profit when I do not know what the profit is. That is all and that is perfectly simple. If they will let me go into their books, I am perfectly willing to let the four steel rail companies earn a profit, but I want to know what it is. If they deny me access to the books, the Government has to act. I do not want to go into the steel rail business.

MR. WOOTON: Thank you so much for giving us this time. It is mighty fine.

(The Conference adjourned at 4.53 P.M.)

CONFIDENTIAL
Press Conference #99,
Executive Offices of the White House,
February 21, 1934, 10.40 A.M.

THE PRESIDENT: When do they start counting the ballots? (Referring to the election of a new president for the White House Correspondents' Association)

Q Monday, at six o'clock.

THE PRESIDENT: Is it a secret ballot?

Q Very much so.

THE PRESIDENT: Has Truly Warner (Albert Warner) got thoroughly organized yet?

Q Thoroughly organized -- ask me. (Laughter)

Q There is other propaganda against Stevie (Francis Stephenson) though. The Senator is the campaign manager of the White House Correspondents, Mr. President. (Laughter)

THE PRESIDENT: I hope you find it easier to raise funds than the Democratic National Committee does. (Laughter) We get plenty of offers of funds. The problem is the source. We have to be awfully careful on that.

Q We are not concerned with the source; all we want is the money.

Q We are still worried about a Senate investigation.

THE PRESIDENT: This is merely conversation in the front row; it is not for publication.

I do not think there is any news. Several members of the Cabinet had to be away Friday, so we are meeting today instead. It is just a regular Cabinet meeting.

Q Why did they have to be away Friday?

THE PRESIDENT: Washington's Birthday; double holiday.

Q Anything further on Governor Black?

THE PRESIDENT: No, I have not heard another thing since he was here last week.

Q I presume you read the morning papers. The Federal Advisory Council wants to open up heavy industries.

THE PRESIDENT: What is the Federal Advisory Council?

Q The Federal Reserve Board Advisory Council.

THE PRESIDENT: They want to open up what, loans to heavy industries?

Q Yes.

Q Anything more on the air-mail situation?

THE PRESIDENT: No. No, you are a little ahead of time. I hope there will be soon.

Q Are you planning to send a tariff Message to Congress soon?

THE PRESIDENT: Sometime before they adjourn.

Q What shall I say about the bonus?

THE PRESIDENT: I said all I could say. I said it to Speaker Rainey yesterday by telephone.

Q Anything for the local democracy?

THE PRESIDENT: Count (Rudolph De Zapp), Homer (Attorney General Cummings) and I are talking about it today.

Q I understand that Mr. Starbuck's (William D. L. Starbuck) appointment on the Radio Commission expires tomorrow night. Have you given any consideration on that?

THE PRESIDENT: Mac (Mr. McIntyre) told me about that last night and I have not thought about it at all. I did not realize it was expiring.

Q Is that likely to stay vacant until some action on the communications problem is taken up on the Hill?

THE PRESIDENT: I have not thought about it. I do not know how far they got on that communications bill.

Q Mr. President, will recognition of Manchukuo by foreign powers change our own point of view regarding that country?

THE PRESIDENT: I will have to talk to the Secretary of State about it before answering that question. It is fraught with dynamite.

Q On the bonus, would you care to give us your reasons for being opposed to the bonus?

THE PRESIDENT: No, I do not think at this time I had better go into it any further. Just let it rest at this time on what I said to the Speaker yesterday.

Q On the Johnson Bill that has to do with the right of public utilities to appeal to the court on rate decisions, which comes up in the House pretty soon, are you taking any attitude?

THE PRESIDENT: I have not, except that there is a long history. In 1929 I was in Albany and the United States -- I do not know whether it was the Supreme Court or the Circuit Court of Appeals, handed down a decision in the New York Telephone case after seven years. The whole State of New York got considerably exercised about that situation. The New York Telephone Company was solely an intrastate company and the State Public Service Commission had sought, seven years before, to reduce the telephone rates within the State. They were taken to the Federal Court and there it rested for seven years before there was a determination. Now, of course that sort of thing is an impossible situation.

I very strongly advocated, as I remember it -- you will have to check on this -- as I remember it, I recommended to the Legislature and they put through a resolution calling for exactly what this Johnson Bill provides for. I am very strongly in favor of removing the jurisdiction of the Federal Courts over purely intrastate utilities of that nature. I hope it will go through. I am not sending any Message on it.

Q Mr. President, during the last two or three days Mr. Hopkins has indicated that some sort of program will be worked out between now and May first to take care of possible overflow of unemployment which will not be absorbed by private industry or in our public works program.

THE PRESIDENT: No, except we are all doing the best we can to find employment for as many people as we can.

Q Have you received a letter from the railroad managers in response?

THE PRESIDENT: Yes, one came in yesterday. I don't see there is any particular reason why it should not be given out, Steve (Mr. Early).

MR. EARLY: I have not seen it.

THE PRESIDENT: It said in effect that they had communicated with the railway labor executives and they are having a meeting on the fifteenth of March.

Q Do you see anything more that can be done to bring the price of liquor down to a reasonable level? (Laughter)

THE PRESIDENT: Who has been stinging you?

Q This is more than an academic question. (Laughter)

THE PRESIDENT: That is why I said, "Who has been stinging you?"

Q No, seriously. (Laughter)

It seems to me that in the long run the Government itself is going to lose on this basis because the bootlegger can undersell the legitimate --

THE PRESIDENT: (interposing) Absolutely. It is the thing we are all worried about. As I understand it, Joe Choate is concerned over the fact that the imports are not coming in nearly as fast as we expected them. He is looking into it at the present time but is not yet ready to report. But the fact is that the liquor is coming in from outside the country in comparatively small volume.

Q Of course there is a seven dollar tax on it before you get it.

THE PRESIDENT: Yes, and this you will have to keep off the record, as an indication of it a Congressman came down to see me and he wanted the R.F.C. to finance the import companies on the ground that they could not pay, that they could not find the money to finance this large tax. There is a lag between the time the tax is paid and the time the importing company gets paid by the wholesalers and retailers. Of course I do not think the R.F.C. can do anything about it but that is an indication.

Q Cannot we say for you that you are for more and cheaper liquor? (Laughter)

THE PRESIDENT: I might say that at the dinner on March third. (Laughter)

Q Did you sign the crop reduction loan bill?

THE PRESIDENT: No, and I asked for it last night. I haven't had it on my desk. It has probably gone somewhere for checking.

Q To go back to this for a minute, is it possible that we will have to lower the tariff or the combined tariff and income tax?

THE PRESIDENT: I won't express an opinion because Joe Choate is looking into the question at the present time.

Q Has any consideration been given to the proposition originally suggested to have a Government corporation that will do all importing and distribution of liquor?

THE PRESIDENT: Not that I know of. We are getting on very well with the Virgin Islands rum proposition. Have you had that yet?

Q Yes, sir. You allowed unrestricted imports.

THE PRESIDENT: I think we had allotted a million dollars to set the corporation up.

Q Are there any others of the Dominions that figure in the rum business? Puerto Rico or --

THE PRESIDENT: (interposing) Puerto Rico has made some rum; not very much, I think.

Q Does the liquor tariff situation tie up with your general tariff Message? You proposed originally to set up a liquor tariff that would give lower rates to those countries taking farm goods and other stuff from us, but that was dropped by the Ways and Means Committee and they are awaiting further recommendations from you on general tariff policies.

THE PRESIDENT: That does not mean that the policy is out of the window entirely. It means that all along we were faced with the liquor shortage problem and it has not been so much a question of tariff bargaining at that time as getting enough liquor to put the bootlegger out of business.

Q Have you figured out about what the prices ought to be in order to get rid of the bootlegger?

THE PRESIDENT: It depends on the brand. (Laughter) I will go into a secret conference with you on that afterwards. (Laughter)

Q May we experiment with the different brands? (Laughter)

Q On this financing proposition, wouldn't that come under the functions of this proposed Import and Export Bank?

THE PRESIDENT: I do not know enough about the problem of raising money on a shipment of liquor to raise the tax. I should not think it would be a difficult thing to finance it offhand. After all, liquor is a changeable asset and once in the bonded warehouses it has pretty good value. I should think that almost any bank would lend money on it.

Q Some of us are getting queries on the Newspaper Code and particularly how it affects Washington correspondents. We might have a five-day week, with vacation on the sixth day, or use the last day as cumulative time for vacations. If you add that to your vacations, then you have to hire somebody and that would work as your reemployment.

THE PRESIDENT: My thought was that probably there ought to be. This is rule of thumb shot in the dark -- there ought to be some leeway but not very much. In other words, it ought not to be possible to work people sixty-five or seventy hours a week and then accumulate a large vacation, too large a vacation at the end. There ought to be a rule of reason on it.

Q I mean a forty-hour week and then accumulate time and in that way you help reemployment because you have to hire somebody during a vacation.

THE PRESIDENT: Of course the main objective is to work it out so there will be more people taken on. That is the objective we have in mind.

Q Have you signed the Fisheries Code yet?

THE PRESIDENT: Fisheries Code?

Q National Fisheries Code.

THE PRESIDENT: I have not heard of it. (Laughter)

Q Will there be a separate code for Press Associations? (Laughter)

THE PRESIDENT: I think A.P. came under the Country Club Code. (Laughter)

Q What are you talking about? (Laughter)

THE PRESIDENT: I don't know what the other Associations came under but, as I understand it, they are voluntarily under one of the codes for the graphic arts.

Q I don't recall but they will do whatever is right.

Q I checked up on that last night with General Johnson's office and when he asked the Press Associations to submit a code, their answer was they would probably come under the Newspaper Code, but nothing has been heard of them since.

THE PRESIDENT: We had better make them reply.

Q You expect them to come in under the Newspaper Code?

THE PRESIDENT: Some code. I do not know what code but some code.

Q The Stock Market regulation bill, have you read it yet?

THE PRESIDENT: No, not yet.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #100,
Executive Offices of the White House,
February 23, 1934, 4.15 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: On the forty million dollar emergency crop production loan bill, I am signing it this afternoon. I haven't done it yet but will do it in the next five minutes. I am going to sign it with the following explanation, that in signing this bill I do so only on the theory that it is proper to taper off the crop loan system rather than to cut it off abruptly. They got this year something like eighty million dollars and it is forty for the coming year.

A useful purpose will be served by aiding certain farmers who cannot yet qualify for crop production loans from the newly established production credit associations. Of course, such credit associations have been formed to take care of these crop loans. However, where farmers have security to offer this year, they should be required to obtain their loans from the associations which have been established to give farmers a permanent source of production credit.

The record in the past of these crop production loans is very bad. Unfortunately, previous crop loans show a large loss to the Government. In prior years, that is on the return of the loan, it runs sixty and seventy and seventy-five per cent. In other words, the return shows a big loss and also in prior years the administrative costs have actually exceeded the interest collected. That is bad business.

The amount appropriated this year is far below the appropriations of previous years. I think this is less than half of what it was last year, but this 1934 loan by the Government ought to be considered as a tapering-off loan, and should be the last of its kind. In other words, I do not want any more bills along this line next year. I was rather horrified by the returns that came in. For instance, in loans made in 1933 so far, up to the first of the year, only 73% has been repaid.

Q The first of which year?

THE PRESIDENT: 1933 (1934 ?). Only 73% had been repaid up to the first of the year. There will be a material loss.

Q What was the total of the loan for 1933, do you happen to know?

THE PRESIDENT: Either eighty or a hundred million dollars, I have forgotten which.

Q A hundred million dollars.

Q Would you care to state whether or not the crop reduction plans have anything to do with cutting of production loans?

THE PRESIDENT: No, an entirely different thing. The new associations being formed are intended to take care of crop loans.

Q Have you had a return on the fifty thousand questionnaires that went out in reference to the advisability of making compulsory or voluntary reductions?

THE PRESIDENT: The last I heard from the Department of Agriculture was 95% in favor.

Q That was on cotton, was it not?

Q Was that in favor of the tax idea?

THE PRESIDENT: No. It was put out in three different ways and split roughly three different ways. The 95% was split three different ways, but the whole of the 95% were in favor of some kind of more compulsory system than the old method. I thought those figures were given out. I thought that they had been given out by the Department of Agriculture.

Q Mr. President, the Army seems to be having a difficult time of it on the mails. Would you care to make any comment on that situation?

THE PRESIDENT: No, except, of course, that everybody deplores any accident in the air.

Q Has the Army got the equipment, do you think, necessary for this?

THE PRESIDENT: They seem to be flying the mails.

Q Do you care to discuss the visit you had from the Reforestation people today?

THE PRESIDENT: Who?

Q The lumber people.

THE PRESIDENT: Yes. They came in to give me a preliminary report on what amounts, really, to an extension of the lumber code that was signed last fall, developing it into what might be called a conservation code.

There was a clause in the original lumber code that provided a meeting, of which today's meeting is a result, between the private owners of forests and the state and Federal forestation services, with the idea that we would cooperate, the Government and the state-owned forests and forest systems, with private ownership, which amounts to four-fifths of the total, in a general plan which would cover reforestation. It is a thing that has been worked out, that form of cooperation, in almost every European country with very great satisfaction and very great success, and there is no reason why we should not work it out over here. It depends for its success, of course, on enforcement. It means that either a large company or a small private owner who does not live up not only to the provision for hours of work and pay per hour, but also to provisions for cleaning up after he has lumbered off his property by reseeding or planting, whether a big company or a small company, if they do not live up to it it means the whole thing falls down. Therefore, it becomes largely a matter of private practice and it must be almost 100% perfect in carrying out the agreement. Like so many other things, about 5% of the operators, if they chisel, the whole thing falls down. But the lumber companies who are represented -- I should say the industry itself--feel that proper enforcement can be obtained not only through their own efforts, but also through the assistance of the state and Federal forestry services. It looks as if they are really getting somewhere.

I am particularly interested because away back in 1911 I got through the Legislature the first definite effort to bring the private companies into a spirit of conservation. We passed what was called the "top lopping" bill up in the Adirondack section. Up to that time, when they would cut down a spruce or a pine, they would work out the lower part, the stick, and leave the upper part of the tree sticking up in the air. If you had a fire where that had been done the whole section would burn out over night. The top lopping provided that all branches should be laid back and that would all work into the ground in the course of a couple of years and would present no longer the fire hazard which the former method of working it did.

Q Does the code provide that they must reseed after they cut off the timber? Is that in the code?

THE PRESIDENT: Of course that depends entirely on the kind of land. For instance, you take down in the yellow pine belt. Nobody plants yellow pine. If, after you have lumbered a yellow pine area, you clean the ground, you will get a reseeding from the trees that are left -- so many trees to the acre left for reseeding purposes -- you will get a natural reseeding in two or three years. On the other hand, in certain parts in the North, if you cut clean or even if you leave only a small number of seed trees, according to the character of the land, you do not have to replant. Taking it by and large, in lumbering operations, the percentage of land that has to be replanted is almost infinitesimal. It is one or two per cent because, in almost all forest land, if you leave seed trees, two or three seed trees to the acre, you get an annual reseeding without any cost if you prepare the ground for it by cleaning up.

Q Have you anything on the Bank?

THE PRESIDENT: Nothing further. Have not a word about it the last three or four days.

Q Do you regard it as a hopeful development, having the bankers participating in the sixty million dollar New York Central refinancing, although the R.F.C. will put up twenty million dollars and the bankers forty million dollars?

THE PRESIDENT: You mean private bankers?

Q Yes. What is your reaction to the private bankers' participation in the New York Central refinancing?

THE PRESIDENT: It looks to me, from the way the darned thing is going that the Government won't have to put up one red cent.

Q Isn't it indicative of --

THE PRESIDENT: (interposing) What is it selling, 111 and 112?

Q 113.

THE PRESIDENT: And yet people came down with tears in their eyes, saying that nobody would take it. It proves what I said was right.

Q Anything new on the tariff Message today?

THE PRESIDENT: No.

Q Returning to air mail, can you say whether any plans are being formulated to open the bidding for lines again?

THE PRESIDENT: We are working on plans. We have not got it out yet.

Q Anything you can tell us about the Russian Ambassador's visit today? He told us he had a small, small commission.

THE PRESIDENT: It was a very small matter.

Q Nothing about debts?

THE PRESIDENT: No.

Q Anything on your buying land with the proceeds of the processing tax?

THE PRESIDENT: I don't know where that is now. It is kicking around somewhere. I do not know where it is. It is going between departments.

Q Do you care to comment on Sirovich's (Representative Sirovich, of New York) bill for an exporting corporation?

THE PRESIDENT: I do not know it. What is it?

Q It was noticed on the fifteenth of February and provided for a three hundred million dollar corporation to engage in foreign trade and other business, et cetera.

THE PRESIDENT: Why is a bill necessary?

Q Well, he seemed to consider it was; he put it in. (Laughter) Maybe he heard about what the White House planned to do. (Laughter)

Q You recently told us, or did you, about National Committeemen practicing as lawyers. I have an inquiry from Chicago asking if that applies to National Committeemen who bid on municipal contracts where P.W.A. funds are involved.

THE PRESIDENT: If you just leave it in general form and do not talk about the gentleman himself. Just leaving it as a matter of broad general principle, I am inclined to think that a National Committeeman within a state ought to choose. If he wants to bid on public contracts that have any relationship at all with the National Government, if he is the low bidder he should get it, but I don't think he should continue to be National Committeeman at the same time. It is a question of ethics. He ought to choose.

Q There seems to be a little distinction there. Do you mean, holding his job, it would be suitable for him to make a bid and then, if he does get the project itself, --

THE PRESIDENT: No, I don't think he should engage in that work. (Laughter)

Q Have you read Whitney's (Richard Whitney, of New York) idea on how the Stock Exchange should be regulated?

THE PRESIDENT: The story that came out today?

Q Yes.

THE PRESIDENT: I do not think I read it. I think Ray Moley told me about it before it came out.

Q His statement before the House?

THE PRESIDENT: No, I have not read it.

Q Do you consider filling the vacancy on the Tariff Commission?

THE PRESIDENT: Not at the present time.

Q There is a rumor that one of the Justices of the Supreme Court is about to retire?

THE PRESIDENT: No comment.

Q Is Mr. Peek (Mr. George Peek) expected to take the presidency of this new intermediate Export-Import Bank?

THE PRESIDENT: Not that I know of.

Q He says he is waiting to see you on it.

THE PRESIDENT: No. That whole thing, as I told you before, is really awaiting a meeting on the general foreign trade question. I think we are going to hold it on Monday.

Q There are little differences of opinion developing in the House Committee over the matter of sugar. Do you care to discuss it?

THE PRESIDENT: The only thing coming to my attention the last couple of days -- I am not quite clear what I thought about Brother Weaver's testimony the other day, and I got a telegram from the Governor of Hawaii in which he quoted the Associated Press -- (laughter)

Q (Mr. Stephenson interposing) It must have been right, then.

THE PRESIDENT: -- and saying the Islands are all up in the air because the A.P. story said that we were taking the position that Hawaii was not a portion of the United States, and that they felt very much hurt.

Now, I wired him back, or Mac (Mr. McIntyre) did, that the position in this quota theory is, we think, a perfectly fair one. We took the quota for continental United States beet sugar, continental United States cane sugar and Hawaii and Puerto Rico and the Virgin Islands on the basis of the three-year average. We applied the same rule to all four places. I also said at the end of the telegram that it was perfectly true that the beet sugar people here in Washington are trying to suggest that Hawaii and Puerto Rico and the Virgin Islands are not parts of the United States and that, therefore, the beet sugar people should have preferential treatment. But those quota figures were honestly based on a three-year average.

Q In respect to Mr. Weaver's testimony, Dr. Tugwell the next day, in a statement, said it was the Administration's intention to prevent any further expansion of the sugar beet industry, and that seems to be the source of trouble with the Committee.

THE PRESIDENT: If the Committee would just use a little horse sense and read what I said to the Congress, they would be out of their troubles. I recommended a quota system based on the amount of consumption of sugar, and that consumption is divided up on a quota basis. Now, what would happen if we ate twice as much sugar four years from now, I am not able to say.

Q Once you get the agricultural end of that bill through, what about the dogfight between the refiners on the official quotas?

THE PRESIDENT: On the refiners, we are applying the same principle; in other words, to allow the refiners to refine the same proportion that they have refined over the last three years. Use exactly the same yardstick on everybody.

Q On this Hawaii thing, I want to get that straight.

THE PRESIDENT: I did not see the story that went out.

Q I did not either, but you are standing by your statement, the original sugar statement, and on that Hawaii was given a quota?

THE PRESIDENT: Absolutely, based on a three-year average.

Q Do you regard Hawaii --

THE PRESIDENT: (interposing) As part of the United States, very definitely. (Laughter)

Q You mentioned this foreign trade meeting. Can you give us a little more on that?

THE PRESIDENT: The thing we have been talking of holding the last three weeks.

Q It is going to be held, when?

THE PRESIDENT: Sometime Monday or Tuesday.

Q The Secretary of State, undoubtedly?

THE PRESIDENT: The Secretary of State, Commerce, Agriculture and one or two others, Tariff Commissioner O'Brien and somebody else.

Q Anything you can tell us about your meeting with Mr. Walsh (Frank Walsh, of New York) today?

THE PRESIDENT: That was on the St. Lawrence Treaty, that is it. It is just more information on the St. Lawrence Treaty, which I hope will go through.

Q Will Mr. Peek be among those present on Monday?

THE PRESIDENT: I do not know. I imagine he will but I do not know whether he is down on the list or not.

Q He is taking part in that, generally?

THE PRESIDENT: The Interdepartmental Committee that has been working.

I don't know who there is -- Dickinson, Frank Sayre --

Q (interposing) I believe he made the interdepartmental report?

THE PRESIDENT: -- but I think Peek will be there too.

Q To discuss the foreign trade policy?

THE PRESIDENT: And of course -- lest you ask the question, I will forestall it -- tariff is involved in it too.

Q Does that involve legislation too?

THE PRESIDENT: Yes.

Q Can you tell us whether there are any developments in Russian exports?

THE PRESIDENT: Won't be until next week. Nothing until we have a meeting.

Q Can you tell us anything about the proposed legislation guaranteeing the bonds of the Home Owners' Loan Corporation?

THE PRESIDENT: I am just about ready to send it to Congress. I should think that by Monday that could go to the Congress.

Q On Monday? Thank you.

Q You are not going up to Oyster Bay on March third, to the wedding?

THE PRESIDENT: I cannot. I have to go to a dinner here that night.

Q There is another report out that you are going to Maryland in the near future for some tercentenary?

THE PRESIDENT: It happens later on. The reason I cannot go is that I have to go for the fiftieth anniversary of my old school on the first of June. It clashes with the Fleet review on the thirty-first of May.

Q Anything you can tell us about Vice President Garner's visit up here today with Senator Byrnes?

THE PRESIDENT: Just talking politics. (Laughter)

Q Can you elaborate on that a little bit?

THE PRESIDENT: No.

Q Anything new in the railroad situation on wages?

THE PRESIDENT: No.

Q Have you any assurances from either side on that proposition?

THE PRESIDENT: Have to wait until after the fifteenth of March.

Q Any developments on the Weirton situation?

THE PRESIDENT: I do not think so. I talked to Bob Wagner about it two or three days ago. I do not think there is anything since then.

Q Mr. President, there seems to be developing a new -- a theory of national defense, to separate the Air Corps from the Army and Navy. Are you taking an active interest in that?

THE PRESIDENT: I have not heard of it.

Q Thank you, Mr. President.

(The Press Conference adjourned at 4.35 P.M.)

CONFIDENTIAL
Press Conference #101,
Executive Offices of the White House,
February 28, 1934, 10.55 A. M.

THE PRESIDENT: Why so shrinking? (The President was speaking to Francis Stephenson, new president of the White House Correspondents' Association)

Q (Mr. Stephenson) The weight of responsibility, Mr. President.

THE PRESIDENT: Wait until next year at the dinner. It will give me an opportunity I have been awaiting for years.

Q Give it to him good, Mr. President.

THE PRESIDENT: I am sorry I have to wait for a whole year to do it.

Q (Mr. Stephenson) I will go to work on you in the meantime.

THE PRESIDENT: I had hoped, speaking in the family, that Jim Hornaday would be in today.

Q Here he is.

THE PRESIDENT: Let him come up here and shake hands on his fiftieth anniversary. (The President shook hands with Mr. Hornaday to the accompaniment of applause.)

Congratulations and I think the nicest thing and truest thing I can say is that you are a gentleman of the Press. (Applause)

I have got a handout for you, which Steve (Mr. Early) will give you as you go out, in regard to unemployment. It covers the general lessons and the general experience that we learned things from in the past few months and might be called the first part of the new procedure after the first of May. You will get it so I won't read the whole thing to you but, in general, in case you want to ask questions, the experience of the Emergency Relief organization shows now that we ought to separate the relief problem into three parts. The first is the proof that you cannot apply the same methods and means to rural areas that you apply to city areas and therefore we set up as the first group the problem of distressed families in rural areas. We found from experience that their security must be identified with agriculture and that, in many parts of the country, this calls for a change from commercial farming, that does not pay, and dependence on a single cash crop, that only pays one year out of four or five, something like that, to the raising of various commodities needed to maintain the family. Therefore relief funds for the rural areas will have to be spent in rather a different way. Work for wages is not for them the same kind of an essential that it is in the city because some of the expenditures by Government -- and by Government I mean state, local and national -- must go to make them self-sustaining.

Well, the simplest illustration I know of is what we tried to do in Georgia a few years ago, the hog, home and cow campaign, where the Government aided them to get the cow and let them pay for it over a period of years. In the long run that is cheaper than buying milk for them.

At the same time (under this program) we would try to get a certain amount of cash for these families in rural areas that need help by distributing the local public works among them. For example, the highway work that goes on in every rural community every year, give that highway work to the people who need it, again coming down to the essential element of need.

Then, the second category is something that has also developed because of the experience in the last few months. It is a problem of the stranded populations. In other words, families in communities -- the easiest example is the community that used to be a one industry town and has lost that industry and the people cling to their towns, hoping against hope, year after year, that the industry is going to start up again and it never does. One example is the coal mine that has run out and the people stay there, year after year. It is a stranded community -- stranded families. In that case we have to adopt a means of relief which eventually looks to taking the people off relief.

Q May I ask a question? Is that population large?

THE PRESIDENT: Fairly large. We haven't any definite figures on it. I asked yesterday at the Council meeting how large it was and Harry Hopkins said that his very, very rough guess was it was 300,000 families. One or two other people from the Labor Department and one or two others thought it might run as high as half a million families. Those people, obviously, have got to be given the opportunity, at least given the offer of moving to some small community where, either through farming operations of their own or through a combination of farming and industry, they can make themselves self-supporting.

Then, the third category relates to urban areas, the cities and suburbs of the larger cities. There again we are definitely taking the position that we don't want them to go on a dole. We want to remove, as far as we possibly can, what we used to call home relief, that is to say, cash, and substitute for it work relief.

In regard to these urban areas, the plan is, from the spring on, to work with the communities and put the public bodies on notice that they have got to devise properly organized work programs and that the federal contribution would go in carrying out these work programs almost one hundred per cent, you might say, for wages and that the federal contributions would be confined to needy persons.

The $950,000,000. appropriation will have been reduced by May to a little over $600,000,000. and by the end of the fiscal year probably to the $500,000,000. for the following year. That will be used and we hope will be sufficient to carry us through the greater part of the next fiscal year, without any question, in this program, this threefold program of helping the rural population, the stranded families and the urban population. In other words, we are now using the experience we got in the past few months.

Q Mr. President, did you get any report as to the total number of families on relief at present?

THE PRESIDENT: Yes. You mean on CWA, or on relief as a whole?

Q Both, if you can give them.

THE PRESIDENT: I haven't it for the whole thing. Harry Hopkins can give you the number on CWA. It is about 3,200,000 at the present time.

Q The urban program to be carried out through the CWA organization?

THE PRESIDENT: Yes, by putting more responsibility on the locality to see that only families in need get that money, get those wages, because it is wages for work.

For instance, one very simple figure, the only one I remember out of this mass, is that out of the 4,000,000 individuals on CWA there are only 2,000,000 of them that have come from relief rolls. Now, that is rather an amazing thing. The other 2,000,000 were people out of work who came and said they were out of work. Because of the need for hurrying last fall, very, very careful checkups were impossible. Now we have plenty of time to turn around before next fall and every case will be looked into to see whether they are the most proper subjects for this employment.

Q Did you mean 3,200,000 families or individuals?

THE PRESIDENT: Individuals.

Q Mr. President, you said that the federal aid would be immediately -- you mean the old people, the unemployed?

THE PRESIDENT: What?

Q You said the federal aid would be for needy people. Do you mean by that the old people who are unemployed?

THE PRESIDENT: You mean old people? That is a different thing. You have to take care of them through what amounts to the dole system.

Q Do you mean the Federal Government will control the highway construction so as to give work to the local people?

THE PRESIDENT: No, certainly not, but what we are going to devise in the case of the rural population is to persuade the local authority. For instance, as an example, in any township in the State of New York, the State Government, in the average township in the State of New York, employs a highway gang on the State road that runs through their township, and they have probably five or six people on the highway gang. In addition, there is the Town Superintendent of Roads, who employs sporadically perhaps eight or ten other people on the town roads, In North Carolina it is all one system, so it is all one agency that does the hiring but in the average township there are fifteen or twenty people on the highways. In a great many cases those people are not the needy people in the community and an effort will be made, through local government, to take on the needy people on all kinds of Government public works, rather than those who do not need it as much.

The same problem comes up in the case of two or three people in one family who are employed. We are going to spread the employment so that only one person in the family will get the employment if there is nobody in the family working.

Q Is the Federal Government going to contribute in the same proportion?

THE PRESIDENT: It will depend on the need condition as it develops during the spring and summer.

Q What will be done in the case of certain localities unable to take their part?

THE PRESIDENT: There we will have to bear an additional cost.

Q I presume that the Federal Government may have to bear the whole cost?

THE PRESIDENT: There are very few, like the drought areas in the Dakotas or Oklahoma, but it is a comparatively small number.

Q Does the subsistence homes bill stay in the big city picture?

THE PRESIDENT: I should say, offhand, that the subsistence homes program will be used more largely in the future for the stranded family classification.

Q Is this program going to be carried out in connection with Dr. Wilson's office?

THE PRESIDENT: They are all tied in together now.

Q We were given to understand the other day by Hopkins that the present plan, which included carrying baskets of food to the farmers, and this farm road relief had not worked out very well.

THE PRESIDENT: It has not put nearly as many people to work as we expected on the road thing.

Q Is this a continuation of the same plan? I mean, using the highways as a method of work, is that a continuation of the same scheme?

THE PRESIDENT: Of what scheme?

Q Of using highway employment in the rural areas?

THE PRESIDENT: That will fit into the picture in the proper place.

Q Hopkins said it had not worked out satisfactorily.

THE PRESIDENT: What he meant was that out of the total amount of money, it did not put as many people to work as we expected.

Q Do you have a new highway appropriation in mind for next year?

THE PRESIDENT: I think not. You see, on the highway appropriation -- I do not know the actual figures but I think probably they could tell you in the highway bureau -- but just as a guess on my part, I should not say that more than half of it would have been spent by the spring. It means that the other half will be actually paid out in wages during the balance of this year.

Q Will the CWA wage scale continue or will it change in the cities?

THE PRESIDENT: I do not know yet; we have not got to that.

Q Will it include the waterway projects as well as highways?

THE PRESIDENT: No, not under Hopkins. The waterways projects will go forward like the Fort Peck Dam, et cetera. That will come out of whatever additional money we get for public works, but the thing will tie right in together.

Q Has any estimate been made of the cost of this new relief program as compared with CWA work?

THE PRESIDENT: No. What I said before is that we hoped that the $950,000,000. will carry us through, certainly until next spring but of course that is subject to the reservation that no human being can tell what the conditions will be late in the fall.

Q Have any of the details of the methods for handling the stranded population or relief been worked out?

THE PRESIDENT: No, we have set up the three groups. This is merely the preliminary of the announcement of the general policy.

Q Can you divide the things by a rough figure of the people stranded in the city and in the country?

THE PRESIDENT: No.

Q Does the stranded population include transients or floaters or people that have moved into the cities that do not properly belong there?

THE PRESIDENT: I do not think it does. I think the figures we talked about with respect to relief applied to the families that were still in the community where they got stranded.

Q I was thinking about the Southern California situation.

THE PRESIDENT: Of course that Southern California situation just sticks out by itself as a sore thumb.

Q Is it contemplated that the Federal Surplus Relief Corporation will be part of this work for the stranded families, colonizing them on submarginal land?

THE PRESIDENT: I do not think that comes out of surplus relief, but am not certain.

Q Are there any developments in prospect concerning National Committeemen who have been doing law business -- some of those who have not resigned as yet?

THE PRESIDENT: Who are you talking about, which one?

Q Arthur Mullen.

THE PRESIDENT: Arthur Mullen. I have not heard a word about any of them or anybody else for the last week. Have you heard any?

Q Except I understand that Mullen is going around indicating he had no intention of resigning. (Laughter)

Q Is it still your view that the railroads are not subject to NRA Codes?

THE PRESIDENT: Yes. We have specifically put them off on one side as a separate problem, with the consent of everybody.

Q Have you asked General Johnson to do anything in that connection?

THE PRESIDENT: No.

Q Going back to the Southern California situation, have you read the special report of the National Labor Board Commissioners?

THE PRESIDENT: Have they got one? I did not know that; I must get it.

Q The conferences on the St. Lawrence Waterway, anything new with reference to that?

THE PRESIDENT: Yes, I said at the last Press Conference that I hoped they would take a vote sometime.

Q On foreign trade, various things have been going on in that line?

THE PRESIDENT: Not quite ready to shoot on that; pretty soon.

Q Will there be more Public Works money likely to be appropriated and made available in addition to the amounts already in?

THE PRESIDENT: Oh, yes; we are sending up that request for -- I do not know what the total is -- it is around $2,000,000,000. for various things. You see, that appropriation has not gone up as yet. Public Works is included in that.

Q That is the original $500,000,000. estimate?

THE PRESIDENT: Yes. But always remember the classifications on that $2,000,000,000. are intended to be highly elastic. In other words, any subdivision of the amounts in this bill are subject to reallocation at any time. There is not any hard and fast amount. It is an estimate. I will probably send it up as an estimate. It might run more.

Q This $2,000,000,000. is in addition to the $3,300,000,000.?

THE PRESIDENT: Yes. It was in the Budget.

Q Isn't this $500,000,000. for the continuation of relief next year in your Budget? Wasn't that included in the $2,000,000,000.?

THE PRESIDENT: That has gone in.

Q Does that cut this other bill by a half billion? I thought it was probably part of the next year's money.

THE PRESIDENT: But you will have to figure as to exactly what they have appropriated. The total amounts in the Budget were $1,166,000,000. for the balance of this year and $2,000,000,000. for next year. That makes a total of $3,166,000,000., all of the items to be interchangeable. Now, I do not know how much they have passed already -- I have forgotten -- but what they have passed you deduct from $3,166,000,000. and you will find out how much more is due from Congress.

Q Any requests for PWA outside of the Budget?

THE PRESIDENT: Not that I know of.

Q Is it fair to ask if you think that the margin requirements in the pending Stock Exchange Bill are wise?

THE PRESIDENT: I cannot talk about it. While it would be absolutely fair to say that I have not read the bill -- I have not read it but I pretty well know what it has in it. But because it is in the stage of discussion, I think I had better not go into the details any more than I should go into details at the present time about what happened yesterday.

Q I was just going to ask you about it.

THE PRESIDENT: I just knew you would.(Laughter)

Q How about the announcement today about the Commission (D. C. Commission) vacancy? Keech or any other candidates?

THE PRESIDENT: They may have seen Mac.

Q I am taking care of the citizens of Columbia (the District of Columbia). The local citizenship associations are engaged in a membership drive --

that is every ten years -- and they are very anxious, of course, to have the President of the United States to become a member of the local Citizens' Association.

THE PRESIDENT: Would I lose my voting residence at Hyde Park if I did that?

Q You know they don't vote here.

THE PRESIDENT: That is all right.

Q President Woodrow Wilson was a member of the local Citizens' Association and if the President can see his way clear to become a member, they would feel, naturally, highly honored.

MR. McINTYRE: You have a delegation coming later today to offer you the invitation.

THE PRESIDENT: How much does it cost?

Q You will get a free membership.

Q With regard to the establishment of these three banks to finance the development of foreign trade, can we say what you have in mind with regard to what the Government would be willing to guarantee the railroads?

THE PRESIDENT: I do not think we have come anywhere near talking about that, even Peek himself. It would depend on the individual case.

Q With regard to this bank, it was mentioned twenty million dollars as a possible credit we will extend to the American silver producers to ship silver down there. Is that figure correct?

THE PRESIDENT: You had better check with Sumner Welles. My general impression is that it was ten.

Q The Secretary said a few million and we thought twenty was rather high.

THE PRESIDENT: I think it was ten. You had better check on it.

Q In connection with this passage of additional legislation regulating securities, utilities, et cetera, do you see any need for a uniform federal incorporation law such as you have a uniform bankruptcy law?

THE PRESIDENT: The only thing that has happened on a federal corporation law is that there is a committee studying it. There are all sorts of problems involved and the committee has made one or two reports on details, on portions of the general problem. I do not think they are ready to make a report that would be really worthwhile at this time and therefore, in talking to some of them yesterday, we all thought it was better to let that go over to another session of Congress, pending more study of it, so we will know better where we stand.

Q What committee is that?

THE PRESIDENT: I could not tell you who is working on it. There is somebody -- the Federal Trade Commission, the Department of Commerce, the Attorney General.

Q That was on the subject of securities?

THE PRESIDENT: On the subject of the possibility of providing for a voluntary federal incorporation law.

Q Thank you, Mr. President.

Q Is there anything new in the air mail situation?

THE PRESIDENT: Not yet; soon.

(The Press Conference adjourned at 11.25 A. M.)

CONFIDENTIAL
Press Conference #102,
Executive Offices of the White House,
March 2, 1934, 4.07 P. M.

THE PRESIDENT: How is he (referring to Mr. Francis Stephenson)?

Q He is finding himself. He is taking his new duties very seriously.

THE PRESIDENT: By God, he needs to. (Laughter) Says one President to another. (Laughter)

Q (Mr. Stephenson) O. K., Mr. President.

Q (Mr. Storm) This place was overrun with presidents this morning. We had Stevie in here and Bill Murphy from the Press Club and George Durno, all at one time.

THE PRESIDENT: That is going some. It is a good combination. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: Somebody was asking the other day about the spending of the highway money and I have two large volumes from the Secretary of Agriculture which I am going to ask Steve (Mr. Early) to look through and dig out the information for you from those two volumes as to how much money has been spent up to the present time. The only figure I can find is that seventy-three per cent of the total money handed out by the Department of Agriculture has been obligated by the state governments. Now, how much has been actually spent in labor, I do not know. That is a job for you.

MR. EARLY: Don't give it to me. (Laughter)

Q There is a story in the paper this morning that an article that was being prepared by the National Committee, reviewing the first year of the Administration, had been killed because you did not want to get into any controversy. Is there any possibility that you will give us a statement?

THE PRESIDENT: No. Steve (Mr. Early) brought me the memo that was sent out to the editors killing it. I think that states the fact very simply and very truthfully, that this article was prepared at the request of the Press, outlining the history of the past year. As our good friend Charlie Michelson honestly admitted, he wrote the article without any effort to make it a part of an article, but the National Committee decided that the very fact of publication of it, sending it out over the name of the National Committee, might be construed as pursuing the same tactics as -- this is off the record -- as the Republican National Committee, and they did not want to be placed in that position, either by editors or the public. In other words, they believe that the people in this country go along with the idea that they are trying to run this party for the good of everybody and not for the good of the party.

Q Is there anything you can tell us about the mission of Mr. Norman Davis to London?

THE PRESIDENT: Norman hasn't any mission to London. He is going over on some private business, purely as a lawyer, as I understand it. He has got no messages, no work to do. I think he is going to Sweden. Is he going to London?

Q He is in London now.

THE PRESIDENT: I suppose he is on his way to Sweden.

Q I understand there are dispatches from London indicating that we are submitting some sort of formula regarding armaments.

THE PRESIDENT: Norman Davis is going over purely and solely in a private capacity. He is not on the Government pay roll and he won't have anything to do with the Government work until and unless there is a meeting in Geneva, and Lord knows when that will be.

Q We understand a communication has been sent to the British Government concerning disarmament. Can you tell us anything about that?

THE PRESIDENT: There was one went off a couple of weeks ago. I think it is going to be given out this afternoon by the State Department at the request of various people.

Q It was not a special message sent by you?

THE PRESIDENT: No. There is nothing in it that in any way changes the attitude. It shows polite and real interest in the progress-- any progress that they can make over there in the European political situation, with the hope that it will bring things around to the point where we can again discuss world disarmament.

Q That will be given out by the State Department?

THE PRESIDENT: There or here?

MR. EARLY: Immediately following your Conference, by the State Department.

THE PRESIDENT: There is no story in it because it is merely a reiteration of what we have said half a dozen times before.

Q Does that go over your signature?

THE PRESIDENT: No.

Q Can you tell us whose signature?

THE PRESIDENT: I don't know. I think I saw it at the time; it is one of the regular State Department dispatches.

Q Wasn't it a reply to the British memo sent to us about that time?

THE PRESIDENT: That I do not know. I do not know that they sent a memo.

Q They presented one to us. It was the regular British note, which was sent around to all the powers about a week ago.

THE PRESIDENT: Yes?

Q The belief had been, until the bill was made public up on the Hill, that you were asking emergency powers to last three years. The bill that Senator Harrison gave us this afternoon indicates that these agreements are terminable within three years but that they may be renewed for any number of years in addition to that.

THE PRESIDENT: I don't think it makes any difference one way or the other.

Q Some persons recommended the adoption of a permanent tariff policy?

THE PRESIDENT: You will see the word "emergency" very distinctly in the Message.

Q I was speaking about the bill.

THE PRESIDENT: I do not care what the bill is so long as I get the authority. If they make it a three-year authority, that is perfectly all right.

Q You expect to terminate the authority within three years?

THE PRESIDENT: It is an emergency power, distinctly asked for as that. The agreements can only be made over a period of three years. Congress can terminate them at that time, if they want. In other words, it is a purely academic discussion. The intent is quite clear.

Q Mr. President, have you taken any action on wild life restoration?

THE PRESIDENT: I do not know where it is now. Do you know?

Q It is supposed to be here. It came back night before last.

Q Have you discussed the Weirton case with the Attorney General lately?

THE PRESIDENT: I have not heard anything about it for a week or ten days.

Q Can you give us any information on Panama's refusal to accept our check, preferring to have gold?

THE PRESIDENT: Not yet. The Secretary of State is conferring with various other people, the Treasury and the Attorney General.

Q Hasn't the Attorney General rendered an opinion yet?

THE PRESIDENT: No, not that I know of.

Q Mr. President, are you discussing with House leaders the Independent Offices Bill?

THE PRESIDENT: No.

Q Sir, is your debt Message any nearer? Any time soon?

THE PRESIDENT: You are right, it is nearer. (Laughter)

Q Is it coming any time soon?

THE PRESIDENT: I do not think as a matter of fact that there is anything much more in prospect of sending up to Congress except minor matters. Pretty nearly everything is completed with today's action except the war debts and we are nearer that.

Q How about public utilities holding companies, Mr. President?

THE PRESIDENT: Public utilities? I do not know what happens on that.

Q You mentioned some weeks ago about an unfulfilled plank in the platform.

THE PRESIDENT: I do not know. To tell you the honest truth, I have not thought about it at all. Is there anything about holding companies in the Stock Exchange bill?

Q The Communications Bill has holding companies in it.

THE PRESIDENT: Frankly, I have not taken it up at all.

Q Under the Home Loan legislation, do you contemplate the financing of new home construction or just refinancing?

THE PRESIDENT: I don't know. We had been talking about the desirability of getting financed, preferably by private means, a large program of home improvement and also home building. That goes rather into the subject which is still under discussion about agencies to improve the credit situation, like, for instance, the suggestion of the twelve regional banks which is still in suggestion form.

We believe that there is a great deal of money that is needed to be applied for the building of new homes and for putting in bathrooms and furnaces, etc., improving the old home, and it is largely a question of working out a plan for getting the credit for it. We haven't got beyond the discussion stage in regard to those twelve banks.

Q Any further progress on the intermediate credit banks?

THE PRESIDENT: No, still talking about it. In fact, I think they have a conference this afternoon on it.

Q Senator Vandenberg was here today, and he told us that he had discussed plans for demonetizing politics. Can you tell us anything further on it?

THE PRESIDENT: Right. (Laughter) No, because it is in the conference stage and we brought in a good many people from the Senate and the House. We had Senators Byrnes, Norris, King, Judge Sumners, Senator Vandenberg, and one or two others, and they are continuing the conference with the idea of getting a bill which they could get through Congress which would have two applications, as a general proposition. One would be in connection with practicing before departments or with departments on any monetary matters by Congressmen, Senators, members of the National Committee, etc., etc. The other phase of it, the regulation part of it, has to do with who they would allow to appear before them with the objective of the elimination of people who make their livelihood by such representations and receive large sums for it under what amounts, in many cases, to false pretense. They are trying to get somebody agreed on some bill up there.

Q Mr. President, would practicing before departments be broad enough to prevent contracts going to National Committeemen under PWA?

THE PRESIDENT: Yes, but that is not practicing before departments, that is the political angle of it.

Q Have you seen the proposed amendments to the Agricultural Adjustment Act?

THE PRESIDENT: No. I think the Secretary (Secretary Wallace) said there were a number of amendments but they were all rather technical in character and merely clarifying. There would be no trouble about them one way or the other. I have not seen them.

Q There is a report that the air mail lines are going to be turned back Saturday at midnight?

THE PRESIDENT: Oh, no.

Q Anything new on that situation?

THE PRESIDENT: Not yet, but very soon, we hope.

Q Mr. President, do you care to say anything about Senator Wagner's new bill?

THE PRESIDENT: No, I have not seen the bill. Apparently there are quite a number of different subjects in it. The only thing I knew about was the general thought of making the National Labor Board more practical. But I understand there are other things. I have not seen it.

Q Can you tell us anything about the Japanese problems that Prince Tokugawa took up with you?

THE PRESIDENT: Not at all.

(The Press Conference adjourned at 4.22 P. M.)

CONFIDENTIAL
Press Conference #103,
Executive Offices of the White House,
March 7, 1934, 10.55 A. M.

Q (Mr. Storm) Good morning, Mr. President.

THE PRESIDENT: Good morning, Mr. President (Mr. Stephenson).

Q (Mr. Stephenson) Good morning, Mr. President.

Q The president (referring to Mr. Stephenson) issued his first executive order yesterday.

THE PRESIDENT: Did he, really?

Q He authorized the purchase of a new chessboard for the press room.

Q (Mr. Stephenson) And also no more Monday morning speeches by the President.

THE PRESIDENT: How about backgammon? Have you taken to it out there? You ought to do it. I play it on the NOURMAHAL all the time. You can play a whole game in about four minutes. And, by doubling, you can lose your shirt on it too. (Laughter)

I do not think there is any news at all except I am feeling quite chipper because I finished all the work on the forthcoming book at midnight last night.

Q When will it come out?

THE PRESIDENT: About the middle of April, I think.

Q How long is it?

THE PRESIDENT: About 300 pages.

Q Is the title still to be, "On Our Way"?

THE PRESIDENT: You will have to ask the publisher. I don't know. I think it was announced as that. That is a thing over which the author has no control.

Q What is the nature of the writing?

THE PRESIDENT: Mostly compilation.

Q Can you tell us anything about the strike situation in the automobile industry -- collective bargaining?

THE PRESIDENT: I have not heard a word about it. Johnson has been too busy the last three days to talk to me about it at all.

Q Have you had much reaction to your speech on Monday on NRA?

THE PRESIDENT: There was a flock of telegrams that afternoon. I did not see any yesterday. Did any more come in?

MR. EARLY: I gave them out, sir.

Q There is some confusion about Senator Robinson's speech on the state of the Union, and particularly the Stock Market Regulation Bill. Is he speaking for himself or --

THE PRESIDENT (interposing): I have got to be frank and off the record, I haven't read it.

Q The House Ways and Means Committee is holding hearings on the free ports. I think it is understood you were in favor of it?

THE PRESIDENT: I did not know they had any legislation up there at all. I have always been interested in the possibility of free ports, but nothing specific. It is a perfectly fine idea and they do have free ports in certain parts of the world that work very, very well.

Q Do you think it would help our foreign trade?

THE PRESIDENT: Yes. Where they have free ports it seems to work out very well. It encourages trade.

Q Mr. President, the mayors of the Great Lakes cities are coming in tomorrow about St. Lawrence. Anything you can tell us?

THE PRESIDENT: I understand they are coming here to endorse it.

Q We thought they were going to put the heat on. (Laughter)

THE PRESIDENT: That would not be a bad idea either. (Laughter)

Q Mr. President, are you going to ask for an extension of the licensing provisions of the NRA? I think they run out in June.

THE PRESIDENT: I think they do and, Stevie (Mr. Stephenson), I have not talked to anybody about it yet. I think it would be a pretty good guess to say we would, but I have not talked about it and I cannot answer yes or no. It is something I have got to do fairly soon.

Q Also there are some reports you are planning executive action to bring about the shorter work week, which you suggested to the NRA meeting the other day, in the event that they do not do it themselves?

THE PRESIDENT: That is very premature. We will let them finish their conversations this week.

Q Mr. President, will you soon be able to give attention to the local appointments, the Justice of the Municipal Court and the Public Utilities Commissioner?

THE PRESIDENT: I think that is a very good idea. I think, for your sake, I will try to take it up this week. Are we ready to shoot on that?

MR. McINTYRE: What is that?

THE PRESIDENT: Municipal Court and Public Utilities?

MR. McINTYRE: I do not think so.

THE PRESIDENT: Keep after Mac. (Laughter)

Q Is your Message on war debts about ready to go up?

THE PRESIDENT: No. It is nearer than it was last week. (Laughter)

Q Is there any change in the sugar situation that has caused such a furor out west?

THE PRESIDENT: No. Has there been some furor out there?

Q Over limiting domestic production.

THE PRESIDENT: They have had furors in Hawaii and Puerto Rico and the Philippines too. They are all having them.

Q The Inter-American Highway, do you favor its extension beyond Panama down to Buenos Aires?

THE PRESIDENT: No. The general thought is that if we can get all the Central American Republics to go along with the building of it, then the South American Republics can take it up of their own accord. Eventually, if we can link North America and South America, it would be a great achievement.

Q Anything new in the railroad legislation?

THE PRESIDENT: No, they are meeting on the fifteenth.

Q You have not heard anything of the position of Labor, whether they will go along?

THE PRESIDENT: No.

(The Press Conference adjourned at 11.00 A. M.)

CONFIDENTIAL
Press Conference #104,
Executive Offices of the White House,
March 9, 1934, 4.08 P. M.

Q It looks like you have got a lot of business there (indicating the desk, piled high with papers).

THE PRESIDENT: I don't think there is a blessed bit of news. My basket is almost empty and I am almost up to date on everything.

Q What are the prospects tomorrow? Put the lid on again?

THE PRESIDENT: Yes.

Q Anything you can tell us, sir, about the matter of liquor quotas and the letting down of the bars in the matter of liquor importations?

THE PRESIDENT: Yes, I can. We talked it over in the Cabinet meeting and the general feeling was that we should let down the bars and, at least, for a temporary period, thirty days or sixty days, temporarily let up on the quota system. We will let liquor come in because it is obvious that it is not being sold at a low enough price in this country.

Then, there was one other phase I talked with Choate about yesterday. He has applications from quite a number of distilleries, most of them -- this is American liquor, Rye and Bourbon -- which did not get in within the time limit for setting the domestic manufacturers' quotas. Most of them are comparatively small distilleries, most of them old, that were owned by old families in Kentucky, Tennessee, et cetera, and did not get their applications in in time. To give them permits at this time will undoubtedly increase the possible total of manufactured liquor in this country to a total maximum on a 24-hour basis of 44 million gallons a year.

Q Increase it to that?

THE PRESIDENT: No, by that. That is the maximum possible running on a 24-hour basis, and Mr. Choate recommended and I approved going along with the idea of giving them permits.

Q These late fellows?

THE PRESIDENT: These late fellows, in order to again bring down the price of United States made, tax paid liquor.

Q Is there any discussion on decreasing the duty on imported liquor?

THE PRESIDENT: Not at this time.

Q Mr. President, does that mean that any American importer now may get a permit for any amount he wishes for the next thirty or sixty days?

THE PRESIDENT: Yes, as I understand it.

Q When does it go into effect?

THE PRESIDENT: At the end of the present quota period, whenever that is. I think you had better check on that.

Q That means there won't be any restrictions whatever on imports during that period?

THE PRESIDENT: Yes, it means there won't be any restrictions on imports during that period.

Q There won't be until April thirtieth?

THE PRESIDENT: I don't know whether right away or wait until the end of the quota period.

Q Did you discuss a definite period?

THE PRESIDENT: No, but it will only be a trial period.

Q Is there any considerable amount of protests coming in from small businesses to the effect that they cannot stand reduced hours?

THE PRESIDENT: You mean the liquor business?

Q No, sir; reduced hours in general.

THE PRESIDENT: I do not know; I have not been to the NRA meetings. I suppose there have been some protests, the same way there have been some protests from large companies that could not stand it.

Q One of the morning papers today ventured the opinion that you had decided to shelve the debt issue because it was not included in the list which Senator Robinson brought to the White House.

THE PRESIDENT: I think you have answered your question, "They have ventured the opinion."

Q Do you still intend to send a Message up?

THE PRESIDENT: Yes, and it is nearer than it was two days ago.

Q Is it likely that the Message will have any legislation?

THE PRESIDENT: I have not thought about it at all.

Q The same paper ventured the same opinion about the Pure Food and Drug Bill.

THE PRESIDENT: Not that I know of. Frankly, I have not heard of it the last ten days. I do not know what has happened to it.

Q They have been having hearings on it in revised form and now they are waiting to see whether Copeland (Senator Copeland) will make any changes.

THE PRESIDENT: I have not approved any revised form. I did not know they had got to that.

Q Senator Copeland said it was satisfactory to you in the revised form.

THE PRESIDENT: I have not seen any revised form and it is news to me that Copeland and Tugwell (Assistant Secretary of Agriculture Rexford G. Tugwell) were together on it.

Q Any possibility of your taking action regarding legislation or other steps to control the operation of chain stores?

THE PRESIDENT: I have not heard a word about it. Any talk in the NRA?

Q No, sir, not yet; but there has been some recent action in conference on the same subject and there are rumors, not very definite.

THE PRESIDENT: I have not heard a word about it.

Q We have had a pretty difficult winter here. Any chance of going south, do you think?

THE PRESIDENT: I do not know! I have been looking at some people -- I think you need Florida for a few days.

Q Yes, indeed.

THE PRESIDENT: So, just out of consideration for the Press, I am really thinking of -- depending on Congress, of course, and it is really tentative -- going off with Vincent Astor on the NOURMAHAL, going off the end of this month sometime, the last week of this month, to catch some fish off the coast of Florida. We will send in a radio to the Florida coast every morning and every evening.

Q At Miami, Mr. President?

THE PRESIDENT: So you will be all right. (Laughter)

Q At Palm Beach?

Q You are going to board the NOURMAHAL at Miami, did you say?

THE PRESIDENT: I do not know where.

Q Can you tell us anything about your conversation with Sumner Welles?

THE PRESIDENT: Oh, that was about starting a Cuban bank. That is all ready to be signed this afternoon, the Executive Order.

Q Can you tell us anything about your conversation with Green (William Green of the American Federation of Labor)?

THE PRESIDENT: Green came in to recommend a gentleman for appointment to some office and I have forgotten which one it was. He and some Senator came in today. (Laughter)

Q In connection with the Cuban bank, has it not been definitely decided to extend $10,000,000. of credit for silver purchases?

THE PRESIDENT: No, the bank, as organized, will have $250,000. in common stock and two and a half million dollars in preferred stock. Of course

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that can always, at any time later, be amended but that is the way it will be organized.

Q And the purpose of the bank, Mr. President, is to finance trade?

THE PRESIDENT: The immediate purpose of the bank is to make it possible for Cuba to obtain silver currency, of which there is a shortage.

Q How much will Cuba take at the beginning, sir?

THE PRESIDENT: I do not know.

Q To whom will this stock be sold, the RFC?

THE PRESIDENT: Yes.

Q Can you comment on legislation pending in Congress to appropriate anywhere from a billion and a quarter to two billion dollars to have the RFC take over the assets of all closed national and state member banks and pay the deposits one hundred per cent?

THE PRESIDENT: The only comment will be, off the record, that the bill won't go through and, if it goes through, it will get vetoed.

Q Have you given any consideration to establishing a new agency to administer the proposed Stock Market Regulation Bill?

THE PRESIDENT: No; I read in the paper they had a new bill. Is that right?

Q They are drafting it now.

Q In connection with the Cuban bank, can we understand that the credit granted will be granted to American exporters of silver?

THE PRESIDENT: I have no idea what the latest details are. I think it is a straight transaction with the Cuban Government, but I am not sure.

Q Will it involve a cash loan to the Cuban Government?

THE PRESIDENT: No, it is a banking transaction.

Q Speaking of vetoes, do you care to offer any comment on the veterans' bill?

THE PRESIDENT: No, not at all.

Q I understand Ray Stevens has withdrawn from the Foreign Bondholders' Protective Council and there are charges that the Council has been doing business with some of the issuing houses of the Latin American securities, something which you warned against. Is there any chance, under these conditions, that you will revive Section II?

THE PRESIDENT: Ray Stevens was in bad need of a holiday, which he had not had since his return from Siam. As I understand it, he got out temporarily in order to be entirely free during the balance of the winter and, as I understand it, he hoped to be able to go back in the spring sometime. What the details are, I do not know.

Q There is no plan to revoke under Section II?

THE PRESIDENT: No.

Q There have been several reports lately that despite the promises made by Litinov, when you recognized the Soviet Government, the Communists have continued their propaganda in the United States?

THE PRESIDENT: I have not heard anything about it at all. Have you any reports, specific ones?

Q Quite a few.

THE PRESIDENT: Ask the State Department; I haven't any.

Q Would you care to comment on the suggestion of General Johnson for a ten per cent increase in wages?

THE PRESIDENT: Still in the discussion stage over there.

Q There is a revival of the report that Farley intends to get out as National Chairman?

THE PRESIDENT: I guess it is true, as soon as we can find anyone to succeed him.

Q How about the group on St. Lawrence?

THE PRESIDENT: They left a three-page full and complete endorsement, which they say came from practically every city in the whole Great Lakes area, in favor of the St. Lawrence Treaty. I sent them up to the Hill.

(The Press Conference adjourned at 4.20 P. M.)

CONFIDENTIAL
Press Conference #105,
Executive Offices of the White House,
March 14, 1934, 10.35 A. M.

THE PRESIDENT: I think I have only one suggestion and that is that you should get your accommodations at Miami as soon as possible because they say there is hardly a bed to be had down there.

Q We had better work today?

Q That is where you will keep headquarters, will you, Mr. President?

THE PRESIDENT: No, that is where you will make your headquarters. (Laughter)

Q How soon are you going down?

THE PRESIDENT: I hope the beginning of the week after next or the middle of the week after next, I don't know the exact date. It will be somewhere around the twenty-seventh, depending a little bit on what Congress does in the meantime.

I haven't any news for you this morning.

Q That is all right; you will have some before you go away.

THE PRESIDENT: I think so.

Q Mr. President, yesterday Senator Robinson of Arkansas said that he was for a unified air force. I was wondering whether that is a reflection of the Administration's viewpoint or just his own. Can you tell us anything about that?

THE PRESIDENT: Only this, for background: We have by no means solved permanently the general aviation policy of the Government. It has been kicking around, as you all know -- you have to use this as background -- and the present board that has been reconstituted will take it up from the point of view of the Army Air Service. It is primarily limited to that. Now, of course, that only covers a part of the story. You have still got all the other relationships of government to aviation. You have got the Customs Service, the Internal Revenue Service, and the Department of Commerce and its relationship to civilian aviation. You have the Navy and the Marine Corps. There has never yet been worked out a satisfactory complete Government policy. It is a thing you cannot work out immediately. The only thing you can say is that we are all studying it and hope to work out a complete Government policy. That will be the objective. The appointment of the Board is only in relation to the Army Air Service. I think we will be able to work something out. We may eventually appoint a board or an individual, but the object will be to get a complete Government policy.

Q Can you tell us anything about General Mitchell's visit yesterday?

THE PRESIDENT: Only that he came in and gave me a great deal of information from his point of view. He is a very old friend of mine and there is no question, of course, but that he has had a great deal of experience in aviation. I am trying to get every angle.

Q There are stories to the effect that he may take charge of aviation for the Government.

THE PRESIDENT: That is just a story. Anything of that kind is just nonsense. You have to have a policy first.

Q When you spoke of board or individual, did you mean to make a further study or to be in charge of the whole situation?

THE PRESIDENT: We are making a study at the present time. Whether it needs a board or ten boards or an individual or fifty individuals, that is a matter to be worked out. You have to try a new Government policy because the old one has not worked for twenty years.

Q Are you going to recommend to Congress legislation regulating motor and water carriers?

THE PRESIDENT: You mean the Eastman report?

Q Yes.

THE PRESIDENT: I think all that has been done is the transmittal to Congress, like the first report was.

Q Mr. President, they are about to vote today on the St. Lawrence Treaty, and it looks like the vote is against you. I was wondering if you would care to offer any comment on that.

THE PRESIDENT: No. However, there is one phase of it -- in fact, two phases of it. One is perfectly simple to mention and the other is a bit more difficult.

The first phase of it is that whether the thing goes through this afternoon or not makes no difference at all because the St. Lawrence Seaway will be built. That is perfectly obvious. And it will be built at a very, very low cost as things go today. You have left only the International Rapids Section and the Lachine Rapids Section. You can visualize the whole navigation problem; it is so obvious that man is going to follow the lead of Nature. Whether the thing goes through today or next year makes, on the whole, very little difference -- it is going through.

You see, you have got today a seaway practically from the top end of Lake Superior down through the Sault Ste. Marie locks, which are big locks, down through Lake Michigan and Lake Huron, then through the Detroit River into Lake Erie, through the Welland locks, which are big locks, and then through Lake Ontario to the St. Lawrence River. And of course the St. Lawrence River runs to the sea.

Now, there are three waterfalls -- rapids, actually. One of them, the middle one, at Beauharnois, has already been built -- they are nearly finished with it. Some of you were up there with me about three years ago. They have already practically completed the power development and, as a part of that power development, for just a very small sum, they can add locks. The Canadian Government is also proceeding with plans for the last waterfall, the Lachine, and there they can do one of two things: They can either build a dam and put locks in the dam, or they can dig the old Lachine Canal and deepen it from twelve to thirty feet without building a dam. That leaves only the top or western waterfall called the International Rapids. Canada already has a twelve-foot canal around the International Rapids.

Now, it is not the least bit necessary to develop power which, of course, calls for a dam. It would be a perfectly proper thing and a perfectly possible thing for Canada to enlarge the International Rapids Canal on the Canadian side of the River without ever building a dam. Canada isn't so crazy to have water power; they have an awful lot of it. If Canada were to do that on the Canadian side of the River, there would be a Canadian seaway. Mind you, the amount necessary to do that Canal over would be less than one hundred million dollars, so you see what a small amount it is. There would then be a Canadian seaway from salt water up the St. Lawrence River, past the Lachine, Beauharnois, and the International Sections, and then you would be in the Lake. That seaway would be one hundred per cent under the control of Canada.

And if Canada wanted to be mean -- and lots of governments and people are mean to their neighbors -- so far as treaties go, Canada has an absolute right -- not a moral right, but a legal right -- to let British and Canadian ships use that Canadian seaway free of charge and to charge a toll to American ships. In other words, if you look at it purely from the national point of view, the United States on one side and Canada on the other side, without looking at it from the broader point of view of commerce and humanity, if we don't go along with Canada in the development of this seaway, we open ourselves, without any question, to the Canadian right to build a Canadian seaway and discriminate against all American ships. If Canada were to do that, British and Canadian ships could use that seaway free of all charge and it would be prohibitive for American ships to use it. That is a distinct and definite legal right that Canada would have if we do not go along with her and do it jointly.

Now, one other phase of it -- and I will tell you a story. A certain Senator said that he was going to vote against the treaty because of the Mississippi and the taking of water out of Lake Michigan. I asked him if he thought we had any right to divert water over and above the need for drinking and health purposes from one watershed into another. Then I told him a story about an old case in up-State New York. A fellow had a piece of property on a river but, at that particular point, there was practically no drop in the river -- it was practically a flat river. He was most anxious to put up a grist mill and he didn't have any water power. People down in the stream below him had grist mills. Suddenly he had a bright thought one night. He said to himself, "by cutting a little ditch through a little hill on my property I can run this water over into the watershed of another little river and I can get a 50-foot drop. I can take the water out of this river and carry it through the ditch, drop it down over a wheel and put it into another river." Of course, it was a grand idea. But, unfortunately, he ran up against what is known in the common law as the riparian right of the man further down the stream. Well, the mills down the stream at once brought suit and said that ever since 1450 when the first case came up in England the rule has been on a watershed, on a river, that you have the right to use the water but you have to put it back into the river. You cannot divert it into some other watershed.

Well, this Senator, who is a good lawyer, admitted all that and finally said that international law is different. I said, "There aren't any cases of international law that are different from the old rule based on common sense." He said, "Never mind whether international law is different or not, we are going to try to take all the water we want out of Lake Michigan and put it into the Mississippi, no matter what anybody else says."

So that is a perfectly clear-cut issue. The Government of the United States believes in the common law and believes that we have no right to injure our neighbor, Canada, by diverting water out of the Great Lakes into another watershed, any more than the fellow upstream a hundred years ago in New York had a right to divert water from one creek into another. Chicago is absolutely entitled, under the common law and under common decency, to all the water they want to drink, to all the water they need for sewage purposes and Canada has even gone further; they have given them enough water by treaty to give them, in all probability, pretty decent navigation down to the Mississippi and down from there to the Gulf. Of course, not ocean-going steamers but probably nine-foot draft, which is the same as the upper Mississippi.

And so, the thing is going through, perhaps not today but the St. Lawrence Seaway is going to be built just as sure as God made little apples. The only difference is that I would like to see it done by joint action of two neighboring nations. If we don't go along, Canada has a perfect right to build an all-Canadian seaway and discriminate against us, if they so desired.

Q In other words, this treaty will go back again?

THE PRESIDENT: It will go back in some form. How soon, I don't know but it will go back as soon as it can.

Q Can we use this?

THE PRESIDENT: As background, I think it is all right.

Q What did the Senate leaders tell you about the bonus?

THE PRESIDENT: I haven't talked to them about the bonus at all.

Q Will you say anything on the House action on the bonus?

THE PRESIDENT: No. I never comment on that. There is an article in this morning's Wall Street Journal by Bernard Kilgore that really anybody who writes about finances and bonuses and currency issues and so forth ought to read because it is pretty darn good. I don't agree with the story all the way through, but it is a good story. It is an analytical story on an exceedingly difficult subject -- on the question of issuing currency to meet Government obligations. I think that Kilgore could have gone just a little bit further than he did. Of course this is all background.

It was along the general line that almost everybody who has studied -- well, I will tell you a story; Paul Warburg a good many years ago, ten years ago, who had a very great mind, talked over with me one day the proposition of issuing Government currency to retire Government debts. In other words, they were what might be called baby bonds to retire outstanding Government debts. As he put it, there is nothing wrong about it except the opportunity that it gives to a legislative body in the future to pay the running expenses of Government by printing paper. Now, there is all the difference in the world between paying the running expenses of the Government by issuing paper and retiring the outstanding interest-bearing obligations by the issuance of paper, provided always that the paper is amortized and retired year by year as the bonds would have been. But the one fear is that if a legislative body gets into the habit of it that they will just run wild year after year, and if they once started to run wild they would pay off the veterans this year and then tomorrow they would say to the people in this country who, in 1917 and 1918, worked on munitions, who had rather unhealthy conditions, long hours and not much sanitation, good patriotic men and women who probably came out of the war physically rather worse off than they went in, certainly far worse off than the men in uniforms who spent their time in camps a few miles away from them -- they would say, "Why shouldn't you come in for a bonus on the ground that you have worked overtime and under difficult conditions for two horrible years?" And then, if you paid them, you would find another class in the community entitled to the same treatment. Then take Government employees, why shouldn't they get better treatment, get 25% more than anybody else?

And so you would start paying with paper and you would keep on paying with paper. In other words, this bonus bill comes down to a fundamental -- you might say two fundamentals: One is the method of payment, and the other is whether the Government is going back on its contract. The Government has a contract. Kilgore's article is well worth reading.

Q Mr. President, did you talk to Senator Harrison about sugar yesterday in the course of your conference?

THE PRESIDENT: I do not think we did. Yes, we did, at the very end, just a mention. I said, "How is the sugar thing coming on?" and he said, "We are going to try to work it out."

Q Members of the Judiciary Committee of the Senate say they are expecting some word from you on the Municipal Bankruptcy Bill that has been reported on. I understand you have some change?

THE PRESIDENT: Has it been reported on?

Q Yes, sir; by the Committee.

THE PRESIDENT: No, I am not proposing any changes but Judge Summers of the House is working on an amendment to meet certain objections to the bill as it passed the House. Don't let this come from me because it is entirely a matter on the Hill. I am simply telling you what you can find out from Summers. The thought is this, that the bill as reported out allows 66 per cent of the creditors to agree with the city on a complete revamping of the debt. Now, that applies not only to interest rates and the maturity dates -- in other words, extension of time of payment -- but also extension of principal and the insurance companies and savings banks have objected to that feature for fear that the principal would be cut down. Judge Summers was working on an amendment which would make it necessary for 80 per cent of the creditors to agree if the principal amount of the debt was cut down, leaving it 66 per cent for the interest rates and the date of maturity.

Q Does that same provision apply to the private debts of corporations? Van Nuys has a bill on that.

THE PRESIDENT: All private debts.

Q In bankruptcy? These buildings, et cetera, corporations and bankruptcy?

THE PRESIDENT: They have that right now.

Q In bankruptcy, but to cut down their fixed charges?

THE PRESIDENT: Wait a minute, Stevie (Mr. Stephenson) has a bright thought.

Q The other day the Department of Justice gave notice that they were going to seek proceedings against Mellon and others on tax evasion. Can we look for others on that?

THE PRESIDENT: I will give you something off the record on that, if you wish.

Q Yes.

THE PRESIDENT: The income tax prosecutions are not exactly prosecutions. Here is the real problem that was put up and, frankly, it is a problem of Government. I think the reason there was an announcement of names the other day -- and of course there are a great many other names -- was because if there had not been an announcement from here the story about these particular names would have broken in each of the districts very shortly and therefore it was easier to announce them from here. Now, these actions are by no means confined to the names announced. There are several hundred cases in exactly the same category.

Here is the Government problem, and I will put it up to you: The Government finds, in going over income tax records, that there are a certain number of people who have failed to include certain income. Putting it the simplest way, they have done that or, in working out their returns, they have made the amount owing a great deal less than the Government thinks it ought to get. Immediately there arises the question of motive. If the motive was to cheat the Government, it is a criminal offense. If, however, the motive was a perfectly honest mistake, it is not a criminal offense but the Government has a civil suit to recover. Now, who is going to determine what the motive was in filing a return that lacked either the proper amount or the inclusion of certain income? Who is going to determine whether the motive was to cheat the Government or not?

If you leave that determination to some individual in the Department of Justice or in the Internal Revenue Bureau and he lets off a very prominent man, you know what the people of this country will say. If he decides to prosecute the little fellow and let the big fellow off, you know what the country will say. On the other hand, if he decides to prosecute the big fellow, you know what some people will say. They will say that it is persecution and not prosecution.

It puts the Government action up to some Government individual in Washington. Well, they are human and it is a mighty difficult thing to put up to them. We have, in our laws, a system of determining motive. It is called a grand jury. Now, the policy that has been adopted is based not only on justice as we have it, but on common sense. If we were to determine these matters here and say, "Why no; Mr. Jones did not intend to cheat the Government, he merely followed his highly paid lawyers' advice", every other Mr. Jones in the country would thereupon go to his high priced lawyer and would be open to the temptation of putting in a return that was, in effect, cheating the Government, with the assurance, mind you, that two years later or three years later all he would have to do would be to go to Washington and say, "I did not intend to cheat the Government; I merely took the advice of my lawyer," and he would get a clean bill of health.

In other words, it is a definite invitation to people to cheat the Government and then come back afterwards and say, "I did not cheat the Government: I did not intend to." Therefore, what we are doing is taking all of these cases, sending them to the District Attorneys of the respective districts and saying to them, "Put these up to the grand jury. If the grand jury does not think that the man or his lawyer were trying to cheat the Government, it is perfectly all right. In that case we will bring a civil suit and recover our money. If the grand jury does think there was a motive there, to avoid the payment of taxes, then the grand jury will indict." And so you have got a panel of twenty-three men under an American system who determine the question of motive. Now, that is all there is to any of these income tax cases. It catches the big fellow and the little fellow and we apply the same rule to the big fellow and the little fellow, and we are going to put them all up to the grand jury.

Q Is that off the record, Mr. President?

THE PRESIDENT: You can make it background. Don't write the story around the Mellon case because it applies just as much to the man with an income of $3,000. a year as it does to the man whose income is very high, or to Mr. Mellon. It is a matter of principle.

MR. STEPHENSON: Thank you, Mr. President.

(The Press Conference adjourned at 11.07 A. M.)

CONFIDENTIAL
Press Conference #106,
Executive Offices of the White House,
March 16, 1934, 4.10 P. M.

THE PRESIDENT: Have the accommodations been taken (at the hotel where the temporary White House is to be established)?

Q The first steps have been taken.

THE PRESIDENT: Good.

Q The reporters will go back to Miami from the ship, won't they?

THE PRESIDENT: Will they go back?

Q To Miami?

THE PRESIDENT: It depends a little bit. Do you know how to figure out latitude and longitude?

Q If necessary, we can learn.

THE PRESIDENT: I will bet you can, in Miami. You can learn almost anything there. Sometimes people forget where they are.

Q We can learn anything to justify the end.

THE PRESIDENT: I foresee that a radio message will come in signed, "Stevie," "Please send me my latitude and longitude."

Q (Mr. Stephenson) Eddie (Roddan) is getting out of control again.

THE PRESIDENT: The only news I have is off the record -- literally off the record -- my income tax was paid yesterday and I did not know I had that much money in the world. I hope the check is good but I don't know yet.

Q There are a lot of people that feel the same way. (Laughter)

THE PRESIDENT: They take 15 per cent off of you and an income tax on top of that. It is an awful lot.

Q Have you had any estimates as to how much income taxes they are going to get?

THE PRESIDENT: Henry (Morgenthau) said this morning on the telephone that it is running ahead of their estimates. Up to last night, while it was not very much ahead, it was definitely ahead of the estimates and of course the estimates were away ahead of last year.

Q Mr. President, the hearings before the Senate Interstate Commerce Committee developed that the main opposition to the Dill Communications bill was the going beyond the bare recommendation which you made for transfer of existing authority. Would you care to express your attitude on that?

THE PRESIDENT: I do not know. I have not read the bill. In what way does it go beyond?

Q Providing for effective regulation of rates, interlocking directorates and intercompany transactions.

THE PRESIDENT: Not having read the bill, I cannot talk about it intelligently. The only thing I talked with -- who was it put in the bill, Sam Rayburn -- the only thing I talked with him about was the general thought that we ought to provide for control of communications between this country and other countries by any company which is foreign owned, that that ought to be an American controlled company. In other words, I only talked about the principle and I do not know what the actual details of the bill are.

Q The president of the I. T. & T. (International Telephone and Telegraph Company) said 9 35/100 per cent of the stock was foreign owned.

THE PRESIDENT: Only 9 per cent?

Q Just about.

THE PRESIDENT: Then the company would not have any trouble. It means 100 per cent control.

Q Twenty per cent foreign is the limit.

THE PRESIDENT: I will have to tell you this off the record: The general thought on that was this; that there is a tendency on the part of foreign companies which are either Government controlled or quasi Government controlled, like the British Communications, Ltd., which is actually privately owned but the policy of it is dictated by the British Government, to interfere in our communications with foreign countries and it is our thought to prevent such interference. Well, one simple example is the feeling we have had that the dissemination of news by the Havas Agency in South America has been, as practised, very distinctly anti-United States. There is no particular secret about that. I have complained to the Havas people about it and of course the Havas Company is subsidized by the French Government. We won't be able to get United States, American news, and especially press news out of this country in such a way that foreign newspapers will get proper news.

Q Did you complain to the Havas news agency?

THE PRESIDENT: Entirely unofficially. I did not do it myself.

Q Is that in the dissemination of news from the United States through South America?

THE PRESIDENT: Yes.

Q Is this on the record?

THE PRESIDENT: Oh, no. I think you had better treat that off the record, this last part about foreign news agencies, because that is a thing that concerns all of us rather than the general public in this stage of the game.

Q I understand on these bids for the $10,000,000. worth of motor trucks, they say the decision rests with you as to whether it is to be accepted or rejected or an extension of time.

THE PRESIDENT: I have not the foggiest idea. It has not come to me yet.

Q A bill was brought up on the Hill today, both Houses, that would give the

RFC authority to lend money to industry. That is the description I get but, technically I do not know whether it is correct or not. Does this conflict with the proposition to put up credit banks or is it supplementary? Our office is rather excited. It is said to be sponsored by Jones (Jesse Jones). It is an Administration measure.

THE PRESIDENT: I have not the faintest idea. I never saw it. I think probably the plan for the intermediate credit banks will go through. It will be asked for.

Q But that will have a Federal Reserve action and not RFC?

THE PRESIDENT: Yes.

Q You will need legislation on that?

THE PRESIDENT: On the intermediate banks? Yes.

Q Tell us about your talk with Governor Lehman today.

THE PRESIDENT: It is a question of finding about sixty or seventy million dollars. In other words, the Governor gave the estimates of what New York State and the communities could raise and what the total amount necessary was for the next ten months and then Harry Hopkins told me how much we could contribute definitely, I mean the minimum amount we could contribute, and that still left the State of New York about sixty or seventy million dollars short of what they thought they needed. What they are doing now is conferring as to where they can save a portion and where they can get it another way.

Q Will you tell us the proportion that Hopkins said the Federal Government may be able to contribute?

THE PRESIDENT: On the plan as laid out, it will be one-tenth of $600,000,000. or $60,000,000.

Q From the Federal Government?

THE PRESIDENT: Yes. You see, the State of New York gets, on a basis of population and also based on need, about 10 per cent of the entire Federal Government relief monies.

Q Is the treasury of New York State depleted to the point where they cannot raise this money?

THE PRESIDENT: No. Their present bond issue still has in it -- you had better not take my figure -- it is about $35,000,000. and they undoubtedly will probably ask for an additional bond issue but, of course, that could not be voted on until November. You had better not say "undoubtedly" because the Governor did not say "undoubtedly". He said they were still considering it.

Q Isn't that thirty-five million, forty-eight million?

THE PRESIDENT: Thirty-five, I think.

Q Did the City (City of New York) Economy bill enter into the discussions?

THE PRESIDENT: Yes. (Laughter)

Q Did you give any advice on it?

THE PRESIDENT: I did.

Q What was it? (Laughter)

THE PRESIDENT: Well, I told the Majority Leader in the Senate and the Minority Leader in the Assembly that the quicker the City of New York was put into a proper financial status the quicker they would get Federal funds, and that we could not wait all year, that some other city might balance its budget and be entitled to it.

Q General Johnson seems to have written another letter to the railroads on the code proposition. Would you care to say anything?

THE PRESIDENT: To the railroads?

Q Yes, March eighth.

THE PRESIDENT: What about?

Q February twenty-first and March eighth.

THE PRESIDENT: What about?

Q Suggesting they confer on a matter about bringing certain employees under a code -- certain classes of their employees.

THE PRESIDENT: What kind of employees?

Q Probably maintenance of way and white collar workers, particularly maintenance of way.

THE PRESIDENT: I do not know; I have not talked to him at all.

Q Thank you, Mr. President.

THE PRESIDENT: I think we had better put the lid on tomorrow. There is nothing doing. What happened last week?

Q On Saturday morning we had the air mail statement.

THE PRESIDENT: I forgot it was Saturday; I won't do it tomorrow.

(The Press Conference adjourned at 4.20 P. M.)

CONFIDENTIAL
Press Conference #107,
Executive Offices of the White House,
March 21, 1934, 10.50 A. M.

THE PRESIDENT: I hear you all had a late night last night.

Q It was a tough day, too.

Q Can't you pull in your neck?

Q (Mr. Storm) It is the first time I have been hearing so many complaints (about his size).

THE PRESIDENT: You look a little pale this morning -- overwork?

Q We need the sun, Mr. President.

Q You can't go (to Florida) too soon.

THE PRESIDENT: I hope we can get off. I do not know now, with all these things popping.

Q There is a full house today (meaning the attendance).

MR. DONALDSON: All in.

THE PRESIDENT: I cannot see you people at the back but all the people in the front look awfully tired and overworked. (Laughter)

Q That is repeal. (Laughter)

THE PRESIDENT: I got a telegram last night -- I do not think you have it; Steve (Mr. Early) will give you copies afterwards -- from Collins (William Collins), National Representative in Detroit of the American Federation of Labor, In it he states that:

> (Reading) "The conference of the officers of Federal Labor Unions of the United Automobile workers affiliated with the American Federation of Labor, held at Pontiac, Michigan, on Tuesday, March twenty, nineteen thirty four, at five p. m., whose case has been presented to the National Labor Board, Washington, D. C., do hereby declare our complete sympathy with your efforts to bring the country out of the depression. We speak for the employees in the automobile industry in expressing our sincere admiration of your high leadership in the

> problems that face the country. Therefore, as the responsible officers of these unions, we pledge to you our undivided support in every attempt to bring about in the spirit of the New Deal the cooperation of labor and capital under the machinery of the National Recovery Act. We, therefore, are prepared to place our case before you confident that in the interpretation of Section Seven A of the National Recovery Act, the right of free choice of representatives will be maintained. We therefore are appointing a committee to meet with you at your invitation. The strike is held in abeyance pending the outcome of your conference at Washington, and we further ask your indulgence in granting the conference that in addition to William Green, President, American Federation of Labor; William Collins, national representative; Arthur Greer and John Bailey, that you give each chosen representative of the thirteen unions an opportunity to attend the conference."

And I wired back:

> (Reading) "I greatly appreciate your decision and will be glad to receive representatives of the thirteen unions as suggested. I appreciate the good spirit of your telegram and am looking forward to seeing you on Thursday."

So they will be in tomorrow afternoon about 2.00 or 2.30 and I think this afternoon -- we haven't definite word -- sometime this afternoon I am seeing the representatives of the manufacturers, and that is about as far as we can go in prognostication.

Q Will the manufacturers also sit in in your conference on Thursday?

THE PRESIDENT: In other words, I am seeing the manufacturers today and the others tomorrow. I shall ask the manufacturers to stay here until after I have seen the labor people tomorrow and what the next step will be I do not know.

Q Have the manufacturers advised you that they will refuse to sit with the employees?

THE PRESIDENT: I have not heard from them at all.

Q Somebody in the Tribune intimated as much.

Q Can you tell us anything about the conference with Senator Couzens (of Michigan) this morning?

THE PRESIDENT: No, no particular news in it. We discussed the details of

Section 7 (a), that is about all.

Q Do you have a specific plan proposed for this conference?

THE PRESIDENT: No. The first thing to do is to listen to it. I am having all sorts of thoughts but the first thing to do is to listen.

Q Mr. President, there has been considerable publicity the last few days in the local papers about the plan to reorganize the government of the District of Columbia. It seems to be sponsored by Senator King of Utah and his plan is in detail -- it is very comprehensive. Are you familiar with it?

THE PRESIDENT: No.

Q Are you in favor of reorganization?

THE PRESIDENT: I have no idea; I have not thought about it. You have only one more place to fill, haven't you?

Q That is all. (Laughter)

THE PRESIDENT: That we will take up as quickly as possible.

Q Have you heard from the railroad labor side on this wage matter?

THE PRESIDENT: No, you have given out nothing since yesterday. What was that?

Q That is from the management.

THE PRESIDENT: I don't think we have had anything from the unions.

Q Are you going to extend the licensing act of the recovery program for another year?

THE PRESIDENT: I have not discussed it at all.

Q The substitute postal employees have been complaining bitterly, particularly in New York, about their lot. Has that been given any particular consideration by you?

THE PRESIDENT: A great deal. The real story behind the one-day a month furlough is something that I don't think has been brought out. From the strictly business point of view, what might be called the good management point of view, if it were merely a question of dollars and cents, we have about 15,000 more postal employees than we need. In other words, there is an excess. That has been caused by the very large falling off in mails as of a year ago although they have begun to pick up in the last six months. You are faced with the problem, "Shall we think of the dollars and cents or shall we think of the human end of it?" Now, we ought to have fired 15,000 from the dollars and cents point of view. We did not do it. Rather than let them go or put them on relief rolls, we kept them as far as we could. This furlough, as far as I understand it, is one day a month and we hope that the postal business will pick up by April so that we can restore that one day a month. I don't think that phase of it has been brought out. Strictly speaking, we ought to have discharged 15,000 and did not.

Q One of the points they have made up there is that in some weeks some married men would make three or four dollars a week.

THE PRESIDENT: The point was that so far as business went we did not need them at all.

Q Are you asking any railroad legislation at this session along the lines of those bills submitted?

THE PRESIDENT: That is part of this railroad conference we are going to hold and I really ought not to say anything about it until we have had the railroad conference. It will undoubtedly come out of the present conference that Eastman is holding.

Q Mr. President, will you be good enough to comment on the Norris Amendment to the Home Owners Loan Corporation Bill?

THE PRESIDENT: What is it?

Q The one that barred politics from consideration in the selection of personnel.

THE PRESIDENT: I will have to see it. What does it do?

Q It is intended to eliminate political considerations in the building up of this organization. It was adopted by a one-vote majority in the Senate.

THE PRESIDENT: I'm in favor of a general principle of administration. I suppose we have had more protests over the fact that Republicans are in control of the Federal Farm Credit Administration and, in many sections, of the Home Owners Loan than we have had with respect to Democrats. We are trying to keep politics out of it. I cannot comment on the particular amendment because I have not read it. We have had all sorts of kicks from both sides in almost every State of the Union and about equally divided.

Q Mr. President, can you throw any light on the exchange of notes between the Japanese Foreign Minister and the Secretary of State, Mr. Hull?

THE PRESIDENT: I do not know anything about it.

Q He wrote Mr. Hull a letter on the twenty-first of February and he answered it on March third.

THE PRESIDENT: Nothing on that now.

Q Mr. President, may I ask whether you can comment on the Administration policy of giving relief to strikers? Mr. Hopkins, the other day, said he would give relief to strikers unless advised by the Department of Labor that the strike is unjustified or unwarranted.

THE PRESIDENT: Only one policy. It does not relate to strikers any more than to anybody else. People who are in dire want -- lack of food -- the Government is going to try to keep them from starving. It is just a repetition of the old thing.

Q Hopkins has said that in only one case has he given relief to strikers and then withdrawn it and that was when the Bituminous Board advised him the strike was unjustified.

THE PRESIDENT: It is just a simple rule to try to keep human beings from starving.

Q Any comment on the Federal Trade Commission's report on the Steel Code?

THE PRESIDENT: It is an exceedingly interesting document. I think I can give you, as background, the general thought of the thing. That is that there are two phases of it. The first is the price fixing phase which is in a very unsatisfactory condition. The filing of prices by one steel company with the Steel Institute can, as it is being handled now, very easily result in a fixed price by agreement -- a thing the Government could not stop because there is no way of obtaining proof that there is collusion. It is practically impossible and we have to work out some other method of assuring competition.

The other phase of it relates to cost. We don't know yet what it costs to make steel rails in this country and yet steel rails go to utilities and we have got to work out some method of finding out whether the utilities are paying too much for steel rails or whether they are not. There has been a general opposition on the part of steel rail companies to any disclosure or investigation of what it costs them to make steel rails. We don't know. The general suspicion is that it costs a great deal less than the price we arrived at last Fall, but we don't know. Somebody, some day, has got to find out what it costs to make steel rails.

Q Are you making such an investigation or study just now?

THE PRESIDENT: No.

Q Mr. President, on this railroad thing, did you say you were going to hold conferences on the railroad situation?

THE PRESIDENT: Mr. Eastman is holding the conferences.

Q Now?

THE PRESIDENT: I may take part in them, but I don't know. There is no set arrangement.

Q What is the purpose of the Eastman conferences, as you understand it?

THE PRESIDENT: The purpose is to get a six months' extension of the present schedule.

Q Mr. President, have you filled the vacancy on the Federal Power Commission?

THE PRESIDENT: No, I have not; and I have not thought about it.

Q Is it coming soon?

THE PRESIDENT: Give me some names. (Laughter)

Q Any extension of the Federal Coordinator of Transportation? By proclamation that expires --

THE PRESIDENT (interposing): No; none of them have been taken up at all.

MR. STEPHENSON: Thank you, Mr. President.

(The Press Conference adjourned at 11.05 A. M.)

CONFIDENTIAL
Press Conference #108,
Executive Offices of the White House,
March 23, 1934, 4.08 P. M.

Q How is it, Mr. President? Feeling rather weary these days (referring to the hoped for Florida trip)?

THE PRESIDENT: You are. (Laughter)

Q I am afraid it is going to be bad weather for a long while.

THE PRESIDENT: So they say. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: Well, I do not think I know anything at all except about the weather. It makes Florida look more attractive but not necessarily any closer.

Q Say not so.

Q Steve (Mr. Early) asked us not to ask you that question.

THE PRESIDENT: If I can only get away with the challenge that Arthur Krock gave me this morning. I could not leave unless I batted a thousand per cent four times to the bat before Tuesday. He is about right, as a matter of fact, just about. Eddie Roddan is looking awfully sad.

Q Five hundred is good hitting for anybody.

THE PRESIDENT: I have not any late news from the automobile conference. Steve (Mr. Early) told me that the information from you people is so far all right. I just came out of the Cabinet meeting so I have not talked to Johnson (General Hugh Johnson) since noon.

Q Can you tell us what the General reported at noon?

THE PRESIDENT: Nothing since last night because General Johnson had not started to talk with them.

Q The French, in a note sent to Great Britain and made public today, declared that the willingness of other powers to consult in case of treaty violations is not sufficient guarantee of their security and they must have guarantees of effective action, particularly by groups of nations. That is a bit further than we are prepared to go?

THE PRESIDENT: What do they want?

Q They want Great Britain to come to their aid if Germany violates any of the treaties, but they do not specify Great Britain, they say the community of nations should come to their aid.

THE PRESIDENT: Of course we cannot change what we said last year.

Q And that still stands?

THE PRESIDENT: Yes.

Q While we are on foreign affairs, we have a report that Ambassador Dodd arrives in New York today. Any significance in his return?

THE PRESIDENT: No. He wrote me about a month ago and said it would be a good thing to get a little holiday and, at the same time, to report and tell us the situation. I did not know he was landing today.

Q Stock Market bill -- anything to say?

THE PRESIDENT: I have not read it.

Q Do you still favor a bill?

THE PRESIDENT: I favor a bill with teeth in it.

Q Have you appointed any kind of committee to study and make reports?

THE PRESIDENT: No.

Q Have you heard of any?

THE PRESIDENT: No, I have not heard of any.

Q Do you care to comment on the veterans' pay allowances voted yesterday by the House, which is still in conference?

THE PRESIDENT: The less I say on that subject the better. (Laughter)

Q Mr. President, have you heard from Eastman on the railroad wage negotiations?

THE PRESIDENT: I have not heard today at all. Does anybody know how it is getting on?

Q He is going to confer with the labor crowd in the morning. He saw the management group twice today and he is seeing the labor group tomorrow morning.

THE PRESIDENT: Right.

Q Are you planning to notify the House on your views on the unemployment insurance bill through a letter?

THE PRESIDENT: On the Wagner-Lewis Bill?

Q That is the one.

THE PRESIDENT: I have an idea that I either have sent a letter to the Chairman or I am going to. I do not know whether I have signed it or not. There is no reason it should not be given out as soon as it gets up. I think I signed one yesterday but it may still be in the basket.

Q Mr. President, is it favorable to the bill?

THE PRESIDENT: This is not the NRA bill, this is the unemployment insurance bill?

Q Yes.

THE PRESIDENT: Yes, it is favorable to the general principles of it.

Q Mr. President, have you heard anything new since your telegram last night from the West Coast notifying that they would call off the longshoremen's strike?

THE PRESIDENT: No. The only other thing is picking the names for the Board of Mediation. I probably will have them by tonight.

Q Are you picking them here?

THE PRESIDENT: I think we are, aren't we, Steve (Mr. Early)?

MR. EARLY: We are, sir.

Q What is your attitude toward the Wagner Bill?

THE PRESIDENT: You are a little previous on that. Hold it until Miami.

Q Did you tell the automobile --

THE PRESIDENT (interposing): In other words, do not construe that as being holding off on it, but from the point of view of timing it is better to wait until we get some of these very immediate questions on automobile troubles and longshoremen a little bit further along before I say anything. There will be something said all right.

Q For background I thought we might inject that into the situation, that that was a sort of hammer over the heads of the industrialists.

THE PRESIDENT: I don't think you could put it that way. (Laughter)

Q Put it subtly. (Laughter)

THE PRESIDENT: If I were writing the story on my own hook, I would say that the cupboard door is still closed. We have not made a gesture toward the cupboard.

Q No telling what is inside?

THE PRESIDENT: No.

Q Will you be having conferences direct, either with the automobile manufacturers or the men this afternoon or tonight?

THE PRESIDENT: I do not know. I told Johnson (General Johnson) that I would hold myself in readiness to see either or both at any time.

Q Mr. President, there is a delegation of steel officials at the NRA conferring with General Johnson and there is considerable secrecy around their negotiations. Do you know anything?

THE PRESIDENT: I cannot imagine anything unless it is caused by the report of the Federal Trade Commission. It might have been. It created quite a commotion.

Q Have you any observations on that report?

THE PRESIDENT: No, except as background. It goes back -- I think I talked to you about this before -- it goes back to the question of this open price posting and of course in practice that almost necessarily results in one price bidding because everybody else follows the first one to post and posts exactly the same price and then they all bid on exactly the same, identical price. Of course, that is not free competition and the thing is not working. We have to find some method of restoring competitive bidding which seems to be pretty well precluded by this open-price posting method that exists. How we are going to go about it we don't know, but we have to do something about it.

Q Mr. President, have you anything to say about the bill to make cattle a basic commodity?

THE PRESIDENT: I am not familiar enough with the details.

Q A $150,000,000. amendment was added by Senator LaFollette to finance the reduction of tuberculosis.

THE PRESIDENT: Of course, it is in the legislative stage. I might say, as background, that somebody has to find the $150,000,000. if it stays in. I haven't got it.

Q Mr. President, are any new slum clearance plans being considered?

THE PRESIDENT: No. On the slum clearance, as a whole, the general thought is this: Our difficulty in giving Federal aid to the major cities that need slum clearance arises out of the real estate values which are very largely fictitious. In fact, in many cases the assessed valuations themselves are fictitious. There are many cases in the slum areas in New York where the city assessment is way above what the owner of the property would be willing to sell the property for. There are a great many tenement house owners that would be tickled to death if they could get 75 per cent of the assessed value in cash. Obviously, just so long as in clearing slum properties you have to pay exhorbitant real estate prices, you cannot put up any new buildings on a sufficiently sound basis so that you will be able to get your money back.

What we would like to see is some method of getting lower real estate costs and, if we get that, it means we would be able to put up buildings in the City of New York that would rent for $6 or $7 instead of $10 or $12 a room a month. We are being held up by the real estate problem. That is the answer. If we can get around that and purchase real estate at a lower price so that we can put up buildings with low rents, the Federal Government stands ready, out of its next year's appropriation, to increase very greatly its slum clearance allotment.

Q Subject to that condition?

THE PRESIDENT: Subject to that condition.

Q You mentioned New York. Does that hold good elsewhere?

THE PRESIDENT: Yes, except that in other places the scale of real estate is a different one, of course. For example, in a smaller, a great deal smaller city, one that still has a slum problem, $6 or $7 a month per room is too high. In a city of that kind you want $4 or $5 a month per room.

Q Have you signed the Vinson Bill yet?

THE PRESIDENT: No, it has not come down. It does not come down until tomorrow. If I do sign it and if I have time and do not get taken up too much with automobiles and things like that, I will file with it a memorandum for your information. Perhaps you had better not break the story at all and make this off the record. It will be a memorandum which will point out the distinction between an appropriation and an authorization. It is time that the public was informed of the difference. It is not the fault of the press, because we have all used a word that we understand, but the reading public does not understand when they read a story in the newspaper that Congress has authorized the building of 102 new ships. The public assumes that they are going to start building those 102 new ships right away. So I have to point out in a memorandum that this bill is really, in its essentials, nothing more than a resolution that it is still the policy of the United States to build up to the London Naval Treaty limits and, having passed that resolution, it depends on the action of future Congresses as to whether the ships will be actually started or not. I have to do that because I have had so many appeals from pacifist organizations which do not understand it.

Q Are you coming up to the Press Club tomorrow night, Mr. President?

THE PRESIDENT: What happens?

Q The dinner.

THE PRESIDENT: Do I have to make a speech?

Q I don't know about that. We will let you off on the speech, if you come.

THE PRESIDENT: All right, if you will do that I will come.

MR. STEPHENSON: Thank you, Mr. President.

(The Press Conference adjourned at 4.15 P. M.)

CONFIDENTIAL
Press Conference #109,
Executive Offices of the White House,
March 27, 1934, 10.50 A. M.

THE PRESIDENT: Is it true about your shopping expedition?

Q (Mr. Stephenson) Yes, absolutely.

THE PRESIDENT: We know everything about you here. Have you been buying, too?

Q (Mr. Storm) Yes, sir; got a new pair of shoes. Stevie got himself a lot of new white clothes.

THE PRESIDENT: We will just make it under the wire. I don't know but I think so.

MR. DONALDSON: All in.

THE PRESIDENT: Well, last night it was pretty definite that we would not leave this afternoon but I heard that Fred (Mr. Storm) had been buying white clothes, so I decided to really make a go of it at five o'clock this afternoon. I am only doing it because of the white clothes.

Q (Mr. Stephenson) Much obliged.

THE PRESIDENT: Twelve o'clock noon I am going to sign the Vinson Bill with a little statement. Shortly thereafter we are going to send a Message to the Congress with regard to the Independent Offices bill.

At 12.20 the railroad labor people are coming in. At 2.00 o'clock we have Council and at 2.30 I am going over the Post Office Department proposals for bids by the air mail during a temporary period. I don't know when that will come out. It may come out this afternoon or, if not, tomorrow.

Q What about the Board for the automobile industry?

THE PRESIDENT: I hope to get that out also between now and 12.00 or 1.00 o'clock.

Q Kind of a light day?

THE PRESIDENT: Light day, yes. (Laughter) And the mail is up to nine P. M. last night. I haven't done today's mail but expect to do it before I leave.

Q Would you care to give us any indication of your attitude toward the Bankhead Bill in the Senate?

THE PRESIDENT: Oh, heavens! Didn't I write a letter on that? I think so. I think I wrote a letter in favor of it once upon a time.

Q On the bids for the air mail, do I understand that there will be temporary bids let?

THE PRESIDENT: Yes.

Q Until the permanent legislation is passed?

THE PRESIDENT: Yes.

Q That will be done right away?

THE PRESIDENT: They will be asked for right away.

Q Are they companies whose contracts --

THE PRESIDENT (interposing): I cannot tell you anything more about it. You will have to wait until that story breaks.

Q How can you legally let contracts of this kind when the law prevents any of these companies bidding for contracts for the next five years under the Section used in annulling their contracts?

THE PRESIDENT: You will have to wait -- that is the same question -- until you see who can bid. That will be in the proposals.

Q Have you been informed whether these companies changed their officers?

THE PRESIDENT: No, I haven't heard at all.

Q Sort of expecting them to do that, aren't you?

THE PRESIDENT: I have not heard. That is a leading question.

Q Mr. Wirt? (Laughter)

THE PRESIDENT: Have you, too, been hearing from your office on that? That is one of the things that we can just keep among ourselves but of course

I know and you know some of the orders that have been received down here by the press from the home office on this Wirt matter. (Laughter) That is just in the family, because it would violate the ethics of the profession, of course, if anybody were to talk about it.

Of course, as a matter of fact -- this is entirely off the record -- the thing goes back and is best illustrated by a story. A great many years ago I had a talk with Charles W. Eliot, President of Harvard University, a very wise old gentleman. Somebody -- this is about 1908 or 1910, along there -- somebody was very radical and was advocating the abolition of the Senate of the United States. A lot of the papers were saying that the man and the people advocating that were bolshevists and communists, etc. Old man Eliot put it rather well. He said, "Under our form of Constitution it is neither unconstitutional nor illegal to advocate a constitutional change of government by constitutional means. But it is absolutely illegal from every point of view to advocate a change of government by force or by unconstitutional means."

Therefore, to boil the thing down on this particular episode, somebody told somebody some kind of a story which may or may not affect some employee of the government. If that employee of the government, on the fact, not on the supposition but on the fact, was seeking to overthrow the government, of course that is an offense, very definite. On the other hand, any employee of the government as well as any citizen has a right to advocate a constitutional change. Well, you are all familiar with what happened.

For instance, and I think, as a matter of fact, Dr. Eliot was talking about using that as an example, in England, up to about that time, they had two houses, the House of Commons and the House of Lords, with equal powers. Legislation had to pass the both houses and for years and years, principally on the Irish Home Rule Bill, the Commons would pass it year after year and the House of Lords would turn it down. It could not get anywhere. So they put through a constitutional change in England by which the House of Lords would have the right to veto a bill one time after it had been passed by the House of Commons but if, after a reasonable length of time, the House of Commons put through that bill a second time, the House of Lords had nothing to do with it, they had nothing to say about it. In England of that period, the people advocating that change which went through without upsetting the democratic form of government in England, the people advocating that were called wild-eyed radicals. Yet they were merely seeking to change the constitution by wholly constitutional means.

So it seems to me that, outside of what I first mentioned, the effort to create a story out of pretty slim pickings, there is not very much to be said in the matter one way or the other. I shall go away fishing and shall not give Dr. Wirt very much thought. I don't think anybody else would. (Laughter)

Q Mr. President, are those last two sentences on the record?

THE PRESIDENT: Not at all. (Laughter)

Q Can you tell us whether you have in mind any new thoughts in our relations with Germany, as a result of your talk with Dodd (Dr. William E. Dodd, Ambassador to Germany)?

THE PRESIDENT: No.

Q Anything you can tell us about commercial or financial relations there?

THE PRESIDENT: I do not think so. All that happened was that he was giving me a general picture of things as he had seen them over there. We did not talk any more than that.

Q Any background on the railroad situation?

THE PRESIDENT: Not yet.

Q Do you expect to put this automobile strike settlement in the form of an Executive Order or will it stand as an informal agreement or amendment to the Code?

THE PRESIDENT: Just keep it the way it is, just an informal agreement.

Q Can you tell us that you are going on this fishing cruise in spite of Dr. Wirt?

THE PRESIDENT: No.

Q Are you considering the appointment of an engineer for the District of Columbia and a judge of the Municipal Court?

THE PRESIDENT: Again I think I have something on it.

MR. EARLY: There is something in the making.

THE PRESIDENT: There is something in the making. You shall have it -- I hope so.

Q For the morning papers?

THE PRESIDENT: It is for whenever the Count (Rudolph de Zapp) wants it.

MR. STEPHENSON: Thank you, Mr. President.

(The Press Conference adjourned at 11.00 A. M.)

CONFIDENTIAL
Press Conference #110,
Held on the stern seat of the NOURMAHAL,
April 9, 1934, about 1.00 P.M.

(The Press had come out sixty miles in Mr. Gar Wood's express cruiser to meet the President at a rendezvous off Bemini Islands.)

THE PRESIDENT: I have got one job for the crowd. I haven't time to prepare my speech for the Gridiron Club Dinner.

Q You promised to make it?

THE PRESIDENT: Yes, I promised to make it.

Q Save those reports (referring to the pouches of mail and official reports which had been brought out) and read them at the Gridiron Club Dinner.

Q They would not understand them.

Q It might shock them.

THE PRESIDENT: This has Florida beat a mile, off the record, on this side, climate and everything else.

Q Is this still part of the Bahamas?

THE PRESIDENT: Yes.

Q Are all the islands around the region part of the Bahamas?

THE PRESIDENT: Yes. When you get down to the Cuban Channel, the Gulf Stream swings around, coming west, and comes up this way. Shooting off, straight along the north coast of Cuba, is a very deep channel only about thirty miles across. That is where we were until last night. That is Anguilla Island, various shoals, Elbow Cay, et cetera. That is great country. Nobody goes there. I don't think anybody has fished Anguilla Island.

Q You don't think the fish know the tricks about being caught?

(Laughter)

Q I was told by a fisherman that up to ten years ago nobody had caught a sailfish.

THE PRESIDENT: That is right. Nobody with a rod and line under six or eight years ago caught a swordfish -- less than that, five or six years ago. But now they do it all along.

Q What is the name of the chap who caught that fish?

THE PRESIDENT: That is Lytell Hull. We call him "Mr. Secretary" on board.

MR. McINTYRE: Why?

THE PRESIDENT: Hull.

Q (Mr. Stephenson) Write it out for him.

(Only a few minutes were consumed by the Press Conference. The members of the Press had spent most of their visit in looking over the specimens of various fish caught, also in inspecting the NOURMAHAL. The principal purpose of the visit of the Press was to determine the state of health of the President. There had been rumors that he was very ill, et cetera, and they desired to disaffirm these rumors by eye-witness accounts.)

- (End) -

CONFIDENTIAL
Press Conference #111,
Aboard the Presidential Special Train,
en route from Miami to Jacksonville,
April 12, 1934, 9.45 A.M.

Q Is there any news?

THE PRESIDENT: I do not think there is a blessed thing. I have not seen any mail since what you brought out (to the NOURMAHAL anchored off Bemini Islands).

Q General Johnson is on board. Have you anything in particular?

THE PRESIDENT: No. I am going to try to make him get off at Palm Beach and get three more days holiday.

Q Are you, really?

THE PRESIDENT: I do not see why he has to try to go back. He might just as well stay a little longer.

Q Have you looked at the McLeod Bill for the payment of depositors in closed banks?

THE PRESIDENT: No, I never heard about it until I read it in the paper.

Q The Frazier Bill either?

THE PRESIDENT: I do not know what they did with it.

Q Do you want new taxes to make up for that?

THE PRESIDENT: I have no idea how much they got in all told. I do not know the details. They have up to a hundred or a hundred and fifty million dollars for the Department of Agriculture but I do not know the details. Exclusive of the ten per cent, they added something. I cannot talk about it because I do not know what is there.

Q The Securities Act, any chance of modification?

THE PRESIDENT: That I do not know. I do not know what the status of that is. The last thing that happened was a month ago. I think it was the Trade Commission (the Federal Trade Commission) that was going to suggest one or two what might be called minor amendments, and the only one I remember is the one which would limit the liability of the house of issue to the total of the amount of their own underwriting instead of the total of the issue. That is the only one I remember.

Q You approve of that, Mr. President?

THE PRESIDENT: That is perfectly all right.

Q You don't care for any general revision of the Securities Act?

THE PRESIDENT: No.

Q General Johnson told us the other day at the hotel (the Miami-Biltmore Hotel in Coral Gables, Florida) that he was content to let the licensing provision of the N.R.A. die because he thought there were enough provisions in the law to take care of its enforcement. He said whether it would be extended would be up to you.

THE PRESIDENT: Probably I will talk to him today about it.

Q They have a national propaganda on to defeat the Fletcher-Rayburn Bill.

THE PRESIDENT: Which is that?

Q The Stock Market bill.

THE PRESIDENT: I said that in my letter to him about three weeks ago, so that is not news.

Q Well, it always helps to say that you are still for it.

THE PRESIDENT: Yes. But when you come down to the details of these bills, naturally I say nothing at all because they change in the

Committee from day to day. I do not know what the status is today. I have no idea.

Q Are you counting on Congress going out?

THE PRESIDENT: I have not any idea. Are all the appropriation bills through? I think they are.

Q Most of the big ones are.

THE PRESIDENT: I wonder what is left in the way of appropriation bills.

Q Did the Navy go through?

THE PRESIDENT: Yes, and Agriculture went through.

Q And State and Commerce.

Q Have you any new legislation to propose?

THE PRESIDENT: I do not think there is another thing.

Q How much relief legislation is there still to go through?

THE PRESIDENT: The big bill.

Q That will just about wind it up?

THE PRESIDENT: As far as I know, that is the only appropriation bill left except the deficiency bill that goes through the last day just to pick up all sorts of odds and ends.

Q That is routine.

Q The war debt Message is somewhat nearer?

THE PRESIDENT: Yes, two weeks nearer. (Laughter

Q How about that?

THE PRESIDENT: Two weeks nearer. (Laughter)

Q Did you have a good time on the water?

THE PRESIDENT: Perfectly marvelous; I got a real rest.

Q Can we quote that?

THE PRESIDENT: The first two days I think I slept and then caught a

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little cold in my nose. Oh, I fished the first two days, caught a cold in my nose, slept a couple of days and then fishing some more and lazying around.

MR. McINTYRE: I hope you slept last night more than some of us did.

THE PRESIDENT: Off the record, we stayed up late, about midnight, and had a little razzing party last night.

Q How much did you win?

THE PRESIDENT: No, razzing. We did not play anything. We were razzing the Commodore last night.

Q He can take it.

THE PRESIDENT: He took it all right. Strictly between ourselves, we razzed him about his little dog.

Q May we quote you on this, that you said it was perfectly marvelous and that you got a real rest, that the first two days were spent fishing, and then a couple of days sleeping, then fishing some more and lazying around?

THE PRESIDENT: Yes.

Q We did a little lazying around, too.

(End)

CONFIDENTIAL
Press Conference #112,
Executive Offices of the White House,
April 13, 1934, 4.15 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: Well, how are the palefaces? (The President had just returned from Florida.)

I have not found out anything yet. I have been here just a short time so, if there is any information I can give you I will be grateful.

Q I see you gave the Congress a little talk today (referring to the President's brief address to the people assembled at Union Station).

THE PRESIDENT: Yes.

I really do not know a thing yet. I am beginning to learn.

Q They want to know what your speech meant?

THE PRESIDENT: It was what they call an allegory. (Laughter)

Q Mr. President, one of your constituents wants to know when the cherry blossoms are going to bloom?

THE PRESIDENT: What time have they set for the party, the nineteenth? I think so.

Q Mr. President, have you made any engagement with the Premier of Japan to talk things over out in Hawaii?

THE PRESIDENT: No. (Laughter)

Q That story was in the paper this morning from Hawaii, that something like that might happen.

THE PRESIDENT: What was it, relayed out from Washington? (Laughter)

Q I think from Japan.

MR. EARLY: Stevie (Mr. Stephenson) is checking up on one of his own stories. It was A.P.

THE PRESIDENT: I thought so, yes.

Q (Mr. Stephenson) What is this?

Q Do you expect to take any steps which may obviate the opening on the twentieth of temporary air-mail bids?

THE PRESIDENT: No.

Q Can you comment on what your policy would be with respect to contractors whose air-mail contracts were cancelled being given six months to reorganize as per the terms of the House bill?

THE PRESIDENT: I never heard of it; I don't know.

Q Mr. President, since you went away the Senate has added some $150,000,000. to the tax bill. Any preference as to whether that should stay in or not?

THE PRESIDENT: We have not discussed that yet. I do not know what all the items are.

Q How about the Stock Market bill?

THE PRESIDENT: I do not know what is in it at the present moment. It shifts every day.

Q Not very much. (Laughter)

THE PRESIDENT: I am asking a number of Senators to come down tomorrow afternoon at 2.30 to give me a lot of information and Sunday, sometime in the evening, probably a number of the people in the House will be down to give me the same information from the House.

Q Is that on the Stock Exchange bill?

THE PRESIDENT: Everything in the world.

Q Will you then decide on your program, how long Congress may stay?

THE PRESIDENT: Will we decide how long? I asked them to stay all summer. It is all right with me.

Q Allegorically? (Laughter)

THE PRESIDENT: I was not very kind to the Washington climate.

Q Our readers are probably kicking us.

THE PRESIDENT: That line about the humidity, of course that is the real important thing.

Q You should not call attention to it.

Q That ought to be good for an editorial. (Laughter)

Q Have you signed the Johnson Bill?

THE PRESIDENT: This morning.

Q Can you interpret whether that would apply to those countries making token payments -- in other words, whether those countries making token payments would get their loans?

THE PRESIDENT: I had better talk to the Secretary of State before answering that question; I don't know.

Q Who will administer that bill, Mr. President,

THE PRESIDENT: I do not know. I suppose the Federal Trade Commission, the Federal Reserve, the State Department -- quite a number.

Q Mr. President, have you endorsed the Wagner labor disputes bill?

THE PRESIDENT: I have not heard about it for the last two and a half weeks at all.

Q Some stories indicated you endorsed the general principles of the Supreme Court for labor, or something of that sort?

THE PRESIDENT: No.

Q How about the silver agitation?

THE PRESIDENT: We are still talking about it.

Q On the nationalization of silver, they say they have enough votes to pass.

THE PRESIDENT: The Secretary of the Treasury told me there are five bills.

Q Speaker Rainey announced today they would try to combine the silver bills in the House and try to make an effort to get one of the combined bills through. Have you talked with him about it?

THE PRESIDENT: I have not; I will tomorrow.

Q Anything to say about the new Code eagle?

THE PRESIDENT: What?

Q The new drive for the N.R.A. Code eagle?

THE PRESIDENT: Get a new bird?

Q Yes. (Laughter)

THE PRESIDENT: I think all that is happening on that is that we will have another extension from the fifteenth of April, just as we had it from the first of January, on practically the same terms. Anybody is entitled to use the blue eagle if they conform with the Code provisions.

Q How long is the extension?

THE PRESIDENT: I don't know; it has not come over yet.

Q Mr. President, have you had an opportunity to look over the pending McLeod Bill since you got back at all?

THE PRESIDENT: Which is that?

Q It provides for the payment of depositors who had money in all closed banks which are members of the Federal Reserve System.

THE PRESIDENT: I've got quite a lot of claims myself. I lost $300 in a closed bank in 1921. Some of my family lost some money in a closed bank in the 1907 panic and my father lost money in the 1893 panic in a closed bank. Do they all come in?

Q They probably would like to amend it to that effect.

Q It provides for the payment of depositors in all banks, public and private and what not, up to $2500.

THE PRESIDENT: Are they going to take care of all other bad debts?

Q It involves only four billion dollars at the present time.

THE PRESIDENT: Only four billion dollars? Why, that is nothing. I lost money in a lobster industry about eight years ago. See if you can't get that in, too.

MR. STEPHENSON: Thank you, Mr. President.

Q That was more allegory, Mr. President.

(The Press Conference adjourned at 4.22 P.M.)

CONFIDENTIAL
Press Conference #113,
Executive Offices of the White House,
April 18, 1934, 10.52 A.M.

Q Good morning, Mr. President.

THE PRESIDENT: Good morning, Fred (Mr. Storm). How is the seasickness this morning?

Q (Mr. Storm) Feeling fit as a fiddle today.

Q (Mr. Stephenson) Did I tell you that I bet on Sea Fox down at Tropical Park?

THE PRESIDENT: What happened?

Q It won in the NOURMAHAL handicap. That is where I got this suit.

THE PRESIDENT: Pick the nautical names every time. They are good.

Count (Rudolph de Zapp), how are you this morning? Still got any vacancies?

Q (Count de Zapp) Oh, yes.

THE PRESIDENT: I do not know why everybody is coming in this morning. There is no news.

Q They are very hopeful this morning, Mr. President.

MR. DONALDSON: All in.

THE PRESIDENT: I don't know why I am being honored by such a large crowd today. There is no news at all.

Q Mr. President, has your attitude on the McLeod Banking Bill changed?

THE PRESIDENT: Which one?

Q The McLeod, the bank depositors bill, has it been changed since his visit yesterday, since his conference with you? (Referring to the conference on April 17 with Congressmen McLeod and Palmer at which Mr. Merriam and Mr. Crowley were present)

THE PRESIDENT: No.

Q You are against it?

THE PRESIDENT: Yes. Necessarily, of course. I think I can talk to you about the McLeod and similar bills. You had better make it halfway between off the record and background. (Laughter) That is, if you can get that nice shade; I don't know where it is myself.

On any bill of that kind, it is almost impossible to do justice. For instance, as an example, I said to Palmer yesterday and to McLeod, "What are you going to do about this kind of case: Two banks fail at the same time. They are on opposite corners. One goes into the hands of the receiver and so does the other. One receiver is able to clean up his receivership in the course of a year and thereupon they pay off the depositors, say, 60 cents on the dollar. Now, those depositors have got their 60 cents on the dollar. The episode is closed -- it is finished business. The assets have been sold, you cannot reopen it. That is not taken care of in the McLeod Bill and all they have got is 60 cents on the dollar.

The other bank is only able to pay 30 cents on the dollar but because of the difficulty of liquidation it is still in the hands of a receiver. The depositors in that bank, instead of getting 30 cents on the dollar, would get 100 cents on the dollar under the McLeod Bill.

There is a perfectly good illustration of the impossibility of giving justice in individual cases under any blanket bill. How far back are you going? Are you going back to the money my father lost in 1893? I don't know. How are you going to fix a date?

Of course, the actual fact of the thing is that we are trying to take care of a tremendously complicated situation. There are thousands and thousands of closed banks, state banks and national banks, and we have been lending money and buying assets. There is an administrative question as to whether, in the carrying out of that process, we are being liberal enough in the money we are loaning or the money we are paying, and the R.F.C., the Comptroller, the Federal Deposit Insurance, and the Treasury Department are all working on the re-examining of every closed bank in order to make more certain that we have adopted a liberal policy in lending money on assets or purchasing assets. Now, that is about as far as you can go.

Q Mr. President, are you impressed with the argument that the anti-hoarding campaign of a year and a half ago laid an obligation on the Government to thaw out these frozen deposits?

THE PRESIDENT: You mean under the Hoover Administration?

Q Yes.

THE PRESIDENT: No, I don't see what that has to do with it at all. After all a bank is a bank.

Q What was the question, Mr. President?

THE PRESIDENT: He was asking about some kind of a moral obligation on the part of the Government because the Government kept a bank open. My Lord, we try to keep every bank in this country open. Some of them we kept open too long but it did not hurt the assets of the bank, keeping them open. It probably helped.

Q Mr. President, do you care to discuss the condition in Japan yesterday in which it is stated that the Japanese Government made objection to foreign loans?

THE PRESIDENT: I have not talked to the State Department at all. I do not think they have heard anything.

Q How about the debt Message to the Congress?

THE PRESIDENT: Yes, yes, we are three days nearer.

Q What is the railroad situation?

THE PRESIDENT: I have got them coming in, I think it is this afternoon. (Looking at schedule) Yes, this afternoon at 3.00 o'clock.

Q Who will be in?

Q Do you see both sides?

THE PRESIDENT: I do not think so. It is management this afternoon. I will undoubtedly see the others later on.

Q Have you any comment on Britain's very splendid financial condition and her action in not taking any cognizance of debt payments to us in her new budget?

THE PRESIDENT: No; wait until the debt Message.

Q In that connection, have you had an opportunity to discuss with the Secretary of State the Johnson Bill and its attitude toward token payments?

THE PRESIDENT: No.

Q Do you care to offer any comment on the silver legislation? There seem to be several bills and some anxiety.

THE PRESIDENT: The less comment I make at this particular moment, the better.

Q Are you willing to have an independent agency administer the proposed Stock Exchange control law instead of the Federal Trade Commission, as proposed in the House bill?

THE PRESIDENT: I am not changing my position publicly from what I have said before. The Message went to Congress and it has been stewing around and they are considering it every day. I do not know what the official decision of the two houses will be. Just a little previous, that is all.

Q How about the adjournment of Congress and the legislative program to be enacted before they adjourn?

THE PRESIDENT: No, because that is a little bit like saying we have got to have such and such definite bills. It is a little bit like the difficulty of writing a story that such and such proposal or piece of legislation is conservative or radical. You have to characterize and I do not think the time has come to characterize yet.

Q Yesterday, after the conference with you, Senator Wagner indicated that the pending Labor Board Bill and the Unemployment Insurance will both be enacted this session, with some modification?

THE PRESIDENT: I am having a conference with Wagner and the Secretary of Labor and Harry Hopkins and N.R.A. tomorrow or the next day on the general subject. Of course I would like very much to see something carried out by this Congress in the way of the creation of some form of permanent mediation by Congressional action instead of merely by Executive action. That is about as far as we have got.

Q Anything on the attitude toward publicity on income tax returns?

THE PRESIDENT: No, because that is still in conference and involves not only legislative action but also Executive action and the

Executive action might dovetail into Congressional action because, you see, I have the power under last year's bill to make the returns public. I think we will be able to straighten that out without trouble.

Q Have you read Colonel Roosevelt's (Colonel Theodore Roosevelt) speech last night?

THE PRESIDENT: No, did he make a speech?

Q T.R., your distant cousin.

THE PRESIDENT: No. I read Harry's (referring to the Assistant Secretary of the Navy). (Laughter)

Q Are you going on the radio?

THE PRESIDENT: Not that I know of.

Q May I ask whether your reference to permanent mediation means that something in the nature of the Wagner Bill should be put through?

THE PRESIDENT: No, I would not say that, because it might be some different form to carry out the same principle, that is to say a permanent mediation body and possibly a permanent arbitration body. But that does not mean, necessarily, a complete change from the proposal of Senator Wagner. That is a matter I do not know about yet.

MR. STEPHENSON: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #114,
Executive Offices of the White House,
April 20, 1934, 4.05 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: I suppose you would like to know about what happened at the railroad conference today. As you know, I held a conference before I went off on the trip and then I took with me a trunk full of papers that went into all the phases of railroad employment. Then, after I got back, I saw the management the day before yesterday and the employees today.

I am sending a letter to Commissioner Eastman this afternoon which Steve (Mr. Early) will prepare for you so that you may have a copy of it.

Probably the easiest way is to read the letter because it explains rather fully the general railway labor situation and, if you want to ask any questions afterwards, you can base them on the letter. (Reading)

"My dear Mr. Eastman:

"As you know, I have recently conferred with representatives of both the railroad managements and the railroad employees in regard to the wage controversy, and have given this matter further consideration. No one who knows the facts can fail to be moved by the suffering which the depression, in combination with the great increase in competition from other forms of transportation, has inflicted on the employees. The 10 per cent deduction from basic wage rates, which the employees voluntarily conceded in 1932 for the good of the industry, has not been the major cause of this suffering. Furloughs, part-time employment, demotions and pay below a reasonable minimum have been more important factors. Wage rates tell only a part of the story; the whole story is told by what a man has in his pay envelope at the end of the week or month."

In other words, just explaining, it has not been the 10 per cent cut that has caused, by any means, most of the suffering. There are so many employees who have been employed only one day or two days or three days a week. Then there were a great many who were employed a month or two and then furloughed for two or three months. That has been the major cause of the suffering in the ranks of the railroad labor employees.

> "Realizing this suffering, as I do, I have felt that the welfare of the employees, and particularly the welfare of those at the bottom of the heap, is the vital thing to have in mind in this wage controversy. The question is whether the elimination, in whole or in part, on July 1 of the 10 per cent deduction from basic wage rates is the thing which their best interests demand. If it is necessary to choose between some measure of relief from furloughs, part-time work, demotions, and low minimum pay and the elimination, in whole or in part, of the wage deduction the choice should certainly favor the first of these alternatives. The traffic and earnings of the railroads are improving, but they are still below the 1931 level, a very large amount of deferred maintenance exists, and maintenance expenditures are still on a subnormal basis."

Actually, they are cut in half. Maintenance in 1929, I think it was, ran a little over two billion dollars. In 1932 and 1933, each of those, the maintenance ran less than one billion dollars.

> "I cannot avoid the conclusion that during the remainder of this year, it is very important that increased earnings should be used in the rehabilitation of the properties and in providing such added and improved service as the increased traffic may demand. This will not only decrease part-time employment but it will add materially to the total number of men employed."

I said that because there was a good deal of discussion on the part of the employees of how railroad families have had to double up. One family that was still employed on the railroad would take another family that was not being employed or was only employed one day a week or something like that. Therefore the idea is to add materially to the total number of men employed as well as to increase the part-time.

> "An increase in wages will help men now at work, but it will be of considerably less advantage to the employees as a whole, and it will also operate to defer the rehabilitation of the properties and the provision of good service which are essential to the good health of the railroad industry. The employees are part of the railroad industry and are tied to its future. It is essential that the railroads should be able to meet effectively the severe competition by which they are now faced, and inability to do this will inevitably react on the men. The railroads need the next few months to put their houses in order for this purpose.
>
> "After careful consideration of existing conditions, therefore, I am fully persuaded that the position which I took in my letters of February 14 and March 20, addressed jointly to the railroad managements and the labor executives, was sound, and that an extension of the present wage status for at least six months is what the welfare of the railroads, of their employees, and of the entire country demands as the immediate and temporary disposition of this matter. This includes, of course, the recommendation in my letter of March 20 that the minimum wages of railroad employees should be brought into conformity with the standards followed by the National Recovery Administration.
>
> "I shall be glad, therefore, if you will undertake to effect a settlement between the employees and the managements along these lines. In that connection, however, I desire to emphasize three things:
>
> "(1) Everything practicable should be done to see to it that increased earnings of the carriers during the period of the extension are used to help the more unfortunate employees who have suffered from unreasonably low minimum pay, furloughs, part-time, and demotions. I cannot too strongly urge upon the managements the necessity of devoting any increased earnings to the rehabilitation of their properties, better service, and additional employment. That will be good business for them. Whatever safeguards are feasible to assure such use of

> funds should be applied. It must be frankly recognized that there is little prospect that the railroads will be able to employ in the future the number of men they have employed in the past, and that they must operate with the utmost efficiency and economy; yet unemployment and part-time work can be reduced materially. It must also be recognized that certain classes of employees will be affected more than others by rehabilitation and improved service; but all will benefit as the health and efficiency of the industry are restored.
>
> "(2) Provision should be made, so far as practicable, to avoid the renewal of the controversy next August or at any other time during the period of the extension. I see no reason why the deduction should not be put upon the same basis as it was on originally, so that further controversy may be deferred until at least January 1. I make only the one exception that it may be desirable to provide for a reopening of the matter before that date, in the event that increased earnings are not put, within reasonable limits, to the use which I have indicated above.
>
> "(3) Negotiations should be brought to an end, one way or the other, without delay, so that if a present settlement should prove impossible, which I sincerely trust will not be the case, there will be opportunity for a thorough investigation by a fact-finding commission prior to July 1. In order that there may be no apprehension as to possible bias in such an investigation --"

I have to appoint the commission.

> "-- I may say that I shall make appointments to any such commission upon the definite understanding that no regard shall be paid to personal opinions that I may have expressed, and that the conclusions shall rest solely upon the facts developed. Such a commission would, I presume, examine into the merits of the wage rates of the different classes of employees, a subject which I have not considered. I have considered only the wise disposition for a temporary period of the immediate issue."

Then there is one other thing I suppose I can give you as background./ As you know, we have had the problem in the railroad situation of very, very high fixed charges. In other words, the problem of the capital structure of the railroads. One reason for it is the very large amount of fixed charges that were incurred between 1915 and 1916 and 1929, double tracking, new stations, et cetera, which were paid for in many instances by bond issues which carried with them large interest charges.

I do not know whether it is a fair way of putting it, but here is a good illustration. Suppose a railroad, during the 1920's, four-tracked its lines and today only needs two tracks. It is still paying interest on those other two tracks and finding it almost impossible to come out even. Now that raises a serious question as to whether a bad guess on the part of the railroads in the 1920's as to future traffic conditions should become a penalty on the capital structure of that railroad for a great many years to come. It raises the question as to whether there should not be some form of reorganization by which unused and unnecessary property should not be capitalized by stock, for the sake of argument, instead of bonds. In other words, that if at some future date it turned out that the guess was a bad guess or that there was a falling off in general railroad use as to whether that should not be a charge on the stockholder, the owners of the road, instead of the mortgagees of the road.

In other words, the railroad situation is so serious that we come pretty close to being faced with two alternatives: One is a policy by which the capital structures of the railroads of the country could be so reorganized that there would never be, even in bad times, a question of meeting fixed charges; something that would eliminate, insofar as possible, the constant threat of receiverships that we have had now for 100 years, continuously, in the country. It would be a reorganization of the capital structure which would leave the control and the management of the railroad in private hands with a fairly definite assurance, first, that they keep out of the hands of receivers and, secondly, that this whole problem of employment and wages could be put on a fairly permanent and satisfactory basis.

The other alternative, which none of us favor unless the first fails to work out, is Government control.

There does not seem to be any third alternative, which is not exactly grammatical, but expresses the idea.

Q Right on that point, Mr. President, the railroad people say that the third alternative is super-consolidation. Would you care to touch on that as embraced by the principal plan?

THE PRESIDENT: Yes. That is really not an alternative because nobody has yet brought in a plan for consolidation which takes care of the human element. Every plan that has been brought in for consolidation involves the throwing out of work of somewhere around 30 to 33 per cent of the present number of railroad employees. And the present number of railroad employees who are employed is only a little over 50 per cent of the total number. In other words, 50 per cent of them are still employed and, unfortunately, in railroading it is like coal mining. Once a railroad man always a railroad man. You cannot become a politician or a newspaperman if you have once served as a railroad man. And these plans of condolidation do not take into consideration the human element.

Q Would consolidation solve the matter of capital structure to any degree?

THE PRESIDENT: Only in this way, that it would bring the reorganization of capital structure to the point of negotiation and you might be able to get an agreement on the cutting down in that way. But, even then, under the present law on reorganization of capital structure, there are only two ways of doing it: One is by unanimous consent, which is almost impossible to get. For example, a fellow has what he was told is a bond when he bought it. Actually it is not, it is a debenture. Actually he bought it as a bond but he hoped to trade it in for the common stock some day at a profit, even though the common stock has not paid a dividend for ten years. The other method is receivership.

So, the principal thing is to simplify the method of reorganizing the capital structure. The only thing I have done on this is to call it to the attention of the Cabinet and I have asked two or three members of the Cabinet to study the question informally, to talk with the Interstate Commerce Commission, with the Coordinator of Railroads and other people, employees, managers, et cetera, and in the course of the next month or two to see if we cannot have something that is fairly definite to serve in a discussion of future national policy. It is a thing which won't come to a head probably before the summer.

Q Can you tell us the names of the Cabinet officers?

THE PRESIDENT: The Secretary of Commerce, the Secretary of Labor and the Attorney General.

Q Have you given any thought to the proposal of the House Ways and

Means Subcommittee for a forty per cent horizontal reduction in tobacco taxes?

THE PRESIDENT: I don't know a thing about it, only what I read in the papers. Why a forty per cent reduction in tobacco taxes?

Q On manufactured products.

THE PRESIDENT: You mean instead of a six-cent stamp on my Camels there will only be a two-cent stamp?

Q Yes, sir.

THE PRESIDENT: Why, my Lord in Heaven, we need the revenue.

Q They claim the increased sales would make up for the loss of taxes by reducing it to ten cents.

THE PRESIDENT: I don't think I will smoke two packs a day instead of one.

There is one interesting thing on the Hill in regard to tobacco taxes I have a good deal of sympathy in -- I have not taken part in any way -- and that is the opposition of people who pay ten cents to soaking them a six-cent tax, when the fellow who pays twelve or thirteen cents only pays six cents. There is a great deal of merit, but as I understand it, it will never come out of committee.

Q How about the Bankhead Cotton Bill? I understand that there is apprehension that a lot of manufacturers in other countries will increase their production comparably to our reduction?

THE PRESIDENT: Those are the five per cent of the growers?

Q Yes. Is that a serious problem at all?

THE PRESIDENT: No.

Q You are not considering any agreements or anything?

THE PRESIDENT: No.

Q May we anticipate that your debt Message to the Congress will be more than merely a report on the debt situation?

THE PRESIDENT: All I can tell you is that it is two days nearer.

Q There are a couple of new developments in the air-mail situation: The first is that in your message (released to the Press) explaining the conference you held last week with the two Senators and Mead (Representative Mead) of the House Committee you expressed the desire for one year competitive bidding. The Post Office Department has opened temporary contracts which, under the old law, will permit three months' operation with two similar extensions, making it nine months. Can you comment on whether or not it is your desire for them to go ahead with the temporary bids?

THE PRESIDENT: Yes, because I do not know what the Congress will do with even one year permanent bids.

Q And the other is that the House Committee voted at a meeting to strike out the ban which will prevent contractors having contracts cancelled from bidding?

THE PRESIDENT: I don't know; I will have to see exactly what they said and did because it is a legal question. If they struck out the ban, did they repeal the old law? I don't know.

Q Could you tell us anything about your conference today with Senator Wagner, Secretary Perkins and Johnson?

THE PRESIDENT: Only that they are conferring in regard to a Wagner Bill. In other words, so much water has gone over the dam -- I think I can say this off the record -- Senator Wagner realizes that certain provisions of the bill -- for instance, the settlement of the automobile strike -- changed the character, so they are working on an amended bill.

Q Mr. President, can you tell us about silver?

THE PRESIDENT: About silver? What about it?

Q Can you tell us your views on it?

THE PRESIDENT: I think it is an awfully long subject. Suppose we wait until after tomorrow's meeting. In general I think you can use this talk as background, if you want to write a silver story, that we have learned from experience that even if you have all the known facts, a panacea does not always cure the patient as expected. As, for example, in the case of gold. We undoubtedly did put up the price level in this country through the purchase of gold and the increase in price. We did not put it up as much as we expected to. The effect of putting it up and getting more gold and increasing prices was all to the good but there we were operating under known facts. We knew where all the gold in the world was. We knew practically within a billion dollars' worth who owned the gold and where it was, -- central banks, governments et cetera.

In the case of silver, we are dealing with absolutely unknown factors all the way through. No two people agree on how much silver there is in the world. Some people believe there is probably two or three billion dollars worth of silver hidden away. Silver was mined before Christ was born. In the case of gold we were buying not only a known quantity in relation to a known quantity but we were buying a very large part of the total gold supply of the world. In the case of silver, some guesses are that there are eleven or twelve billion ounces of silver in the world. A very small proportion of that is held by governments or banks. It is mostly in private hands. Probably, as a minimum guess, there may be fifteen or eighteen billion ounces. Nobody knows.

For us to undertake to buy 50 million ounces a month is such a drop in the bucket that instead of bringing the world price of silver up to $1.29, it might not raise it more than 15 or 20 cents. You will find a very good example if you will refer back to your files, I think it was December 21 last when we undertook by Executive Order to buy American-mined silver at, roughly, 20 cents above the world price. As I remember it, it was selling at 43 or 44 cents at that time. We offered to buy it at 64½ cents an ounce. Some of our silver friends on the Hill threw up their hats and cheered lustily and gave you people stories to this effect: "This is the most glorious and far-reaching event in American history. When the market opens tomorrow morning the world price of silver will be 64½ cents an ounce." Now, that was the best judgment of people who believe in silver. Actually it went to 46 cents and is now back at 44½ cents an ounce. Enough said.

Q The Darrow Board is supposed to have its report in?

THE PRESIDENT: I have either got an appointment or am getting an appointment with Darrow (Clarence Darrow of Chicago) to come in and have a talk with me about it.

Q Do you know whether it will be made public or not?

THE PRESIDENT: I guess we had better see it first.

Q Did you say before whether that amended Wagner Bill would be on the program?

THE PRESIDENT: We are not quite ready. Let us see first how it is amended. The general thought is, as I said the day before yesterday, we all believe there should be some more permanent body for mediation and arbitration of labor disputes, something that would become a more central body than our present method. Today we have the Department of Labor mediating, we have the National Labor Board mediating, we have Hugh Johnson mediating and father mediating. So what we want to do, what we would like to do, is to have one central body doing most of the mediating. That automobile business took a lot of my time, just about a whole week. I want to avoid that kind of thing in the future, if I can.

Q Are you going to sign the cotton bill?

THE PRESIDENT: Tomorrow.

MR. STEPHENSON: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #115,
Executive Offices of the White House,
April 25, 1934, 10.45 A. M.

Q Just as well you did not stay at the ball game. They got licked.

THE PRESIDENT: My record is still pure. I have never seen them lose.

What is the news this morning? I do not know a thing, really not a thing.

Q About Japan?

THE PRESIDENT: Japan? Don't know a thing.

Q Haven't you heard anything about it?

THE PRESIDENT: No, I have not seen the Secretary of State since he got back.

Q Any sort of background on the situation?

THE PRESIDENT: I think I had better not today because there are an awful lot of cross currents and cross wires.

Q You said you were going to see the Secretary of State today. Are you going to discuss the Japanese situation or just see him?

THE PRESIDENT: See him. I suppose he has got a great many other things.

Q Are you considering making any suggestions in connection with the Fisher Body strike in Cleveland and St. Louis?

THE PRESIDENT: That has not come to me at all. Of course, on the Fisher Body strike, as I suggested the other day, I am trying to avoid having all of these strikes come up to me. Take the case, for instance, of the coal situation in Western Kentucky. Some of our good Senators and Congressmen from Kentucky would like to have me jump in. I would be doing nothing else but arbitrating if I took cognizance and jurisdiction over all of these.

Q How about the Wagner Bill?

THE PRESIDENT: I have not heard anything further. They were going to have a conference, Wagner, Miss Perkins and NRA. I have not heard anything since then.

Q You think that is the solution, do you, to take that off your back?

THE PRESIDENT: It will help. It may not be a permanent and final solution, but it will help.

Q How about unemployment insurance legislation?

THE PRESIDENT: I am not quite ready on that. You mean the insurance?

Q Yes.

THE PRESIDENT: I think you had better let me think it out a little more; another few days. Of course, I am tremendously in favor of unemployment insurance. I guess you had better wait and let me talk off the record on Friday on that. I can be a little bit more coherent then.

Q Are you going to make public the Darrow report on the NRA Codes?

THE PRESIDENT: I suppose so, when it is written. It has not been written yet, as far as I know. Mr. Darrow did not say it had (been written). When it is written he is going to come up here with the members of that committee and talk things over. I mean, when they have a preliminary draft of it.

Q Any decision on a Message on the debt due from Finland and other foreign nations?

THE PRESIDENT: Not yet. It is three days nearer.

Q Both Governor General Murphy and Governor Winship of Puerto Rico telegraphed into the War Department protesting some provisions of the Costigan sugar bill, saying that that bill, when put into effect, would create a great deal of unemployment in the Islands.

THE PRESIDENT: It has not come down yet and I frankly do not know the language in the conferee's report. It has been approved?

Q Only by the House.

THE PRESIDENT: Only by the House. I do not even know the language in it.

Q Murphy suggested that instead of having the bill become retroactive to January first, it be made effective with our fiscal year, as of July first, so that it will enable the Philippines to dispose of a great deal of their 1933-1934 surplus.

THE PRESIDENT: I will take that up today. I don't know anything about it.

Q Anything new on the railroad negotiations?

THE PRESIDENT: I have not heard a word.

Q In the event that the State Department finds that one of the assenting parties to the Nine-Power Pact had violated that pact, would we consider it our duty to make protest?

THE PRESIDENT: That is a very, very "iffy" question.

Q Do you care to offer any observations on the silver question? It has been constantly popping up.

THE PRESIDENT: Which one?

Q Just in general.

THE PRESIDENT: No, I don't think so.

Q Are you going to see the silver bloc committee?

THE PRESIDENT: Not that I know of. I told them I would be glad to see them any time they come down.

Q In your recent talks with Senate leaders, have you taken up or decided whether you want the bonus bill brought on the floor? It has been in committee for quite a while.

THE PRESIDENT: I am not saying anything about it. I think you can make a good guess on it.

Q I understand you spent an hour on this Public Works of Art Project. What do you think of it?

THE PRESIDENT: I was awfully keen about it. I think the best line of the whole exhibit is what the Director of the Corcoran (Art Gallery) said to me and that is that of all these six hundred pictures there isn't a single one, without one possible exception, that shows despair or despondency. Taking it by and large, those pictures are hopeful pictures, and that is a very remarkable thing when you think that the people who did them were actually on relief. And, more than that, they are honest pictures; in other words, they depict American life in an American way. There is very little of what some of the committee call decadent foreign art. You can tell right away what the picture is intended to be. (laughter)

Q Mr. President, have you approved any definite plan for the enlargement of the offices here?

THE PRESIDENT: No, not yet.

Q Is it contemplated?

THE PRESIDENT: It is contemplated. Of course, it is a very difficult proposition. I hate to put any more buildings into the White House grounds, but, on the other hand, you know the situation among the employees of this office at the present time. It is cruel and inhuman and everything else the way they are housed at the present time. The way it works out, it is almost impossible to maintain offices in the State, War and Navy Building. It is too far away. There are things we need all the time. So it looks as if we will have to put into the next appropriation bill an authorization for adding to these offices out this way (indicating), directly south, and along Executive Avenue, not a great distance, a matter of sixty feet.

Q Would that give you a new office?

THE PRESIDENT: Yes, it would push my office down to the south end.

Q Can we take this over for the Press Room, then?

THE PRESIDENT: I was thinking about that. (Laughter)

Q Have you any information on the German Government or German agencies making an attempt to secure loans from the Export-Import [Bank?] Corporation?

THE PRESIDENT: No. What I read this morning in the papers is the first I heard of it. George Peek is coming in today but it is not on that, it is a talk we have been arranging for two weeks.

Q Don't you expect to do this (fix the offices) this summer?

THE PRESIDENT: Yes, it will be an authorization in the next appropriation.

Q What do you think it will cost, rough figures, two or three hundred thousand dollars?

THE PRESIDENT: I think a great deal less than that. Oh, yes, I remember, a hundred and twenty thousand dollars.

Q Would that take in the Cabinet Room too?

THE PRESIDENT: Yes, and if I leave this room for the Press, I will leave the fish up there to inspire you.

Q Any plans for carrying on these Public Works projects?

THE PRESIDENT: Well, it is thought of -- it hasn't got into the definite stage as yet. There is no reason why you should not know what we are discussing. That is the possibility, in these public buildings which are going up, post offices, custom houses, etc., all over the country -- I'm not talking about Washington, I'm talking about government buildings all over the country -- as things are now, we make an estimate on the cost of the building, as you know, and in most cases the actual contract price works out somewhere below that estimate. Say it is a $75,000 building and the lowest bid is sometimes $70,000 or $71,000 and we find we have got a definite saving on the appropriation because of the fact that the bid is below the estimate. Then, in addition to that, we have done a good deal in our designs in the past, in the hallways of those buildings, in the way of fairly expensive curlicues, scroll work, cornices, etc., and a certain amount of gold, all expensive decoration, and we are talking about the possibility of eliminating this more expensive decoration such as gold leaf and fancy cornices and fancy ceilings and devoting some of that money to the decoration of the building by artists who are on the relief rolls. It does not get very much beyond that. In other words, it would be a small percentage of the saving over the estimated price. It looks like a perfectly legitimate thing to do, or perfectly legal, and the total amount would be extremely small.

Q Do you feel, in view of the character of the painting, that it would be safe? Is their ability sufficient?

THE PRESIDENT: I think it would have to be checked into in some cases.

Q Isn't gold out anyway?

Q Do you care to discuss that suggestion made by Vinson (Representative Vinson of Georgia, Chairman of the Naval Affairs Committee of the House) to take PWA funds to start building a new Navy?

THE PRESIDENT: You are a little previous. That will appear, probably, in the estimate that goes up and that estimate -- somewhere around, a little short of a billion and a half dollars -- that will go up as soon as the revenue bill has finally passed both Houses.

Q With the prospect of passing it at this session?

THE PRESIDENT: Oh, we have to have the billion and a half. Oh, my, yes.

Q And there will be funds for starting this naval program?

THE PRESIDENT: There will be an authorization, as there was in last year's bill. That means it leaves it up to me to decide how many ships, if any, we would start.

Q Anything to say on the Russian-American debt negotiations?

THE PRESIDENT: No.

Q Will you take that matter up with Peek -- that Russian matter up with Mr. Peek?

THE PRESIDENT: No.

Q Did you sign any important bills this morning?

THE PRESIDENT: Three bills for Alaska. I am going to sign them now.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #116,
Executive Offices of the White House,
April 27, 1934, 4.10 P. M.

THE PRESIDENT: I do not think there is any news except that I am extending -- the final form is not complete yet -- extending Title I of the Emergency Railroad Transportation Act for another year, in other words, to June 16, 1934 (1935?), which extends Mr. Eastman for one more year. We are all very much gratified over the settlement of the railway wage controversy.

Q Mr. President, what about -- don't you expect Eastman to submit a report on railroad legislation? It was contemplated last year.

THE PRESIDENT: He has got a lot up there on the Hill.

Q In that connection, do you have any assignments for Eastman?

THE PRESIDENT: Good Lord, man, he has three men's jobs now. How do you mean?

Q New ones?

THE PRESIDENT: He has got plenty to work on.

Q He says he still has lots left to accomplish.

THE PRESIDENT: Yes.

Q Speaking of June sixteenth, have you decided whether you will or will not ask for a renewal of licenses under NRA?

THE PRESIDENT: I have not done a thing about it in the three weeks since I got back.

Q Have you changed your views on the tobacco taxes?

THE PRESIDENT: I have asked various people to look it over. The situation, of course, depends a good deal on the amount of money or revenue the Government is going to get. I am perfectly willing to have the tobacco tax restudied but we have to have the same number of dollars come into the Treasury from one source or another.

Q You asked us to remind you to say something about the Wagner-Lewis unemployment insurance bill?

THE PRESIDENT: I do not think there is anything more to say. I have written in favor of it. I hope it will pass.

Q How about the labor disputes bill?

THE PRESIDENT: No, they have a committee at work on it, Senator Wagner, Miss Perkins, Johnson, Richberg and Hopkins. They are still working.

Q As a result of your luncheon with the Secretary of State, can you comment on the Far Eastern situation?

THE PRESIDENT: No.

Q Will you comment on Davis' report on disarmament?

THE PRESIDENT: We only had time to talk fifteen minutes and he is coming back to lunch tomorrow with the Secretary of State. We have only begun to talk about it.

Q How about the sugar bill?

THE PRESIDENT: That has not come to me yet.

Q Have you made up your mind?

THE PRESIDENT: It has not come to me yet.

Q Are you in favor of one-year or three-year contracts on the air-mail bill? There is some difference up there on each side.

THE PRESIDENT: You will first have to tell me the situation on the Hill. I don't know.

Q I believe in the Senate bill it is three years and Chairman Mead put one year in the House bill. I understand it was one year up here.

THE PRESIDENT: I think you had better let them talk with each other on the Hill a little more.

Q Has any progress been made to carry out the conservation section of the Lumber Code?

THE PRESIDENT: Charlie (Mr. Hurd, of the New York Times), I don't know. I have not heard a word about it.

Q It is said that the lumber people are getting a little bit discouraged and are hoping that the Government would carry out their part. Others said they were attempting to go ahead.

THE PRESIDENT: Frankly, I do not know anything about it. I suppose the Government's part will be carried out partly through the Forestry Bureau and partly through CCC and partly through Public Works. I don't know who is handling it.

Q The way they (the lumber people) talked, a big appropriation was held up and that is what is holding it. They said the Government is expecting to spend $68,000,000.

Q They have asked for a $200,000,000. revolving fund. Anything in that?

THE PRESIDENT: They certainly cannot have it this year; we have not got it.

Q Reports from Hawaii say that the Costigan-Jones Sugar Bill is discriminatory so far as the Island is concerned in sugar production. Can you tell us anything about that?

THE PRESIDENT: I cannot until it comes down.

Q Have you made any decision on the Beck conservation report?

THE PRESIDENT: I don't know. We have given them a million dollars.

Q Yes. That is separate from the report on conservation.

THE PRESIDENT: As far as the principle goes, of course it is a grand report. When you come down to the question of financing it, we have to do it only as fast as we can.

Q Some time ago you said that if the post office business picked up, as you thought it might, you would be able to aid some substitute postal employees. I understand that today the postal employees' unions are asking you to sign that bill?

THE PRESIDENT: The bill came in before I went into Cabinet meeting and all I know is that there is a recommendation for veto. I have not looked at it so I do not know what I am going to do. It has come with a recommendation for veto from the Post Office Department.

Q In the Comptroller General's report on War Department contracts, he criticized them for the manipulation of their specifications. Have you discussed that?

THE PRESIDENT: No, only what I read in the papers.

Q Any planning in progress in regard to mineral policies?

THE PRESIDENT: You will have to let me check up on that. Something has been done. We are working on -- I cannot tell you, I cannot remember -- I have talked with Secretary Ickes about it and the Bureau of Mines and various other people quite a long time ago. In other words, we have in mind starting the machinery towards getting a national mineral policy. I cannot tell you any more because that is literally all there is. Ickes may have studied it.

Q Have you done anything about the housing stimulation bill that Frank Walker is preparing?

THE PRESIDENT: Yes, and I think we will have a story in the course of two or three days. The thing is tying in pretty well together.

Q Do you expect any legislation will be required?

THE PRESIDENT: The thing that is holding it up is that we are trying to do it without legislation. There are one or two obscure points. The Attorney General is trying to work out the establishment of certain forms of insurance for home building credit and home repair credit and if we can set up that kind of insurance without legislation, we are certainly not going to ask for it.

Q Will that be done through the RFC?

THE PRESIDENT: Yes.

Q Have you enough information to decide whether the token payment governments come within the purview of the Johnson Act?

THE PRESIDENT: No. Henry Morgenthau and the Secretary of State are working together on that now, trying to work out somebody in Washington that will be able to say "Yes" or "No."

Q Another air-mail question: Senator Black said it would turn regulation over to the ICC six minutes after the bill was passed?

THE PRESIDENT: I cannot tell you anything about that bill because it changes so often.

Q Do you intend to ask Congress for a Joint Resolution changing the cocoanut oil tax?

THE PRESIDENT: You had better let that come down to me first.

MR. YOUNG: Thank you, sir.

(The Press Conference adjourned at 4.15 P. M.)

CONFIDENTIAL
Press Conference #117,
Executive Offices of the White House,
May 2, 1934, 10.50 A. M.

(Harry Hopkins and Frank Walker were present.)

THE PRESIDENT: I don't think there is any particular news. I think you can be fairly certain that there will be either a message to Congress or letters to the appropriate Chairmen fairly soon on the housing matter. But I have not got around to writing it yet. I may have it in the course of the next couple of days. I think all you can say now is that it is perfectly clear, from the surveys we have made over the last couple of months, that there is a real need, all over the country, practically every part, for better housing and new housing; that in taking active steps to encourage better housing and new housing we will be doing a great deal to alleviate unemployment, especially in certain trades that have come back slower than almost any other trades, in other words, building trades. Also that we will raise the general standard of American housing.

I cannot tell you the details of the plan yet because that, I suppose, I ought to hold for either the letters to the Committee; but you will have the details very shortly. The plan is just about ready.

Q The fact that you are going to send a letter or a message indicates that you need legislation?

THE PRESIDENT: We do. We hoped to get by without legislation but we do require very, very simple permissive legislation, which is practically along the same lines as existing law applying to other things. In other words, it is carrying out, as a broad principle, the methods we have applied to other needs.

Q Will you ask for a special appropriation for housing?

THE PRESIDENT: I do not think so.

Q Is Mr. Hopkins going to be in charge of the housing?

THE PRESIDENT: I haven't any idea; I haven't taken it up. Obviously, we cannot start an organization until we have the authority.

Q The price of labor and materials for building have gone up so greatly during the past few months. How will that affect those prices?

THE PRESIDENT: We hope to keep them down to a reasonable amount.

Q About how much money do you think will be expended in this program?

THE PRESIDENT: I don't know; I have no idea at all.

Q At the present time could you tell us whether you expect to form a special corporation?

THE PRESIDENT: I cannot tell you that. Probably won't know that until after the legislation goes through. There are lots of ways of carrying out the mechanical end of it.

Q In this morning's paper there was a big story in connection with the annual meeting of the Chamber of Commerce of the United States that the Government was preparing to relax its restrictions against business and also not planning to ask for a renewal of the licensing provisions of the NRA.

THE PRESIDENT: That was just Elliott Thurston, wasn't it?

Q No,, it was just Teddy Wells.

THE PRESIDENT: I guess Teddy and Elliott combined together.

Q I did not see the Post; it might have been in there too.

Q Can you tell us about the sugar bill?

THE PRESIDENT: Not yet. I am seeing the Virgin Islands about it sometime this morning, I am seeing Puerto Rico sometime this morning, and I am seeing the Secretary of Agriculture sometime this afternoon.

Q Is there any possibility of a reduction in the liquor tax?

THE PRESIDENT: I do not know. I have not checked with Joe Choate about that. I should say probably, as a good guess, that there isn't much possibility of a reduction in the tax this session.

Q Does that apply to the tariff too?

THE PRESIDENT: We are going ahead with the opening up of the quotas, the removal of the quotas, so as to bring in all we can in the next few months.

Q Any chance of action on the tariff in connection with the quotas?

THE PRESIDENT: I do not think I have got the right under the present legislation to cut it down.

Q I was more interested in whether you thought it was advisable than whether you had a right to do it.

THE PRESIDENT: I do not think I have the right to do it.

Q But you could, after this tariff law passed?

THE PRESIDENT: That is almost in the realm of an "if" question.

Q Steagall (Representative Henry Steagall), in connection with the deposit insurance bill, has had a provision that would permit the Deposit Insurance Corporation to largely increase its funds for buying assets in closed banks and lending money on assets in closed banks. Have you looked into it at all?

THE PRESIDENT: What bill is it on?

Q On the bill that would continue the present temporary --

THE PRESIDENT (interposing): No, I have not seen that at all.

Q With reference to the air-mail situation, could you indicate your preference to the Senate bill which contains provision for early transfer of control to the ICC or to the House bill which merely provides for a commission?

THE PRESIDENT: I imagine they will iron that out between themselves.

Q The conference with Darrow yesterday, can you tell us anything?

THE PRESIDENT: I had better not.

Q Has his report come in?

THE PRESIDENT: Just between us girls, there was a certain disagreement in that Darrow committee which will probably come to a head.

Q How is it going to come to a head?

THE PRESIDENT: I do not know yet.

Q As a result of your conversation with the Soviet Ambassador early this week, do you share his belief that the prospects are bright for an early settlement of the debt question?

THE PRESIDENT: The whole problem, do you mean, or the Soviet?

Q All debts, yes.

THE PRESIDENT: I hope so, that is all I can tell you.

Q Anything on the Wagner Bill?

THE PRESIDENT: No, Miss Perkins and Bob Wagner (Senator Wagner) are lunching with me today.

Q Do you understand they have a bill ready to submit?

THE PRESIDENT: I don't know.

Q A short time ago you wrote letters to the heads of the Senate and House Committees on the Howard Bill (the ~~Weaver~~ Wheeler-Howard Bill affecting Indian rights) --

THE PRESIDENT (interposing): In other words, my letter distinctly said that I was primarily interested in the principles of the bill. When you come to the details, that is different. I think that Senator Wheeler has quite a number of amendments which he proposed himself to the bill as originally introduced. What they are, I do not know.

Q We have a constantly recurring rumor that Mr. Straus (Ambassador to France) is coming home and that Morgenthau is going to France and that Baruch (Bernard M. Baruch of New York) is going to replace Morgenthau (Secretary Morgenthau) in the Treasury?

THE PRESIDENT: It sounds like Drew Pearson. Getting very personal this morning.

Q I understand you have been looking at some reports on Puerto Rico and that you saw the Governor yesterday. Have you any plans or hopes?

THE PRESIDENT: No. You have been there, you might give me some suggestions. Pretty difficult, isn't it? That whole problem is one of the most difficult things in the world.

Q Speaking of Puerto Rico, do you have any views as to including Puerto Rico in the Union, as a state?

THE PRESIDENT: No, which party favors that?

Q That has been currently agitated.

Q That is the Republican Party, if I may answer his question.

Q There continues to be a lot of discussion of your views on silver. I was wondering if you care to say anything about it at this time?

THE PRESIDENT: There is no use going into a long discussion on silver but I think, just as a sort of tip, if you will read all the way back for a long, long time, over a year, what has been said, mostly by me I guess, about a monetary or, rather, a metal base for currencies, in other words, if you get a complete picture of the general line we have taken, I think you can get a better story out of it than coming to the conclusion that we are either one hundred per cent one way or the other. It does date back quite a long ways and it is a perfectly consistent policy.

Q Do you think anything can be done?

THE PRESIDENT: Hope springs eternal.

Q The District National Guard is without a Commanding General.

THE PRESIDENT: What happened?

Q The old one died. I wonder whether the War Department has made any suggestions to you or submitted any names to fill the place?

THE PRESIDENT: Do I appoint?

Q Yes, you do.

THE PRESIDENT: I did not know that. I am becoming a regular dictator, Count (Rudolph de Zapp). I will have to find out about it. I did not even know that I appointed.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #118,
Executive Offices of the White House,
May 4, 1934, 4.10 P. M.

MR. DONALDSON: All in.

THE PRESIDENT: The only news is still in a package. The package is not opened. It is the report of the Darrow Board. I shall try to read it tomorrow and Sunday and if it is not too profane, I shall probably release it on Monday or Tuesday.

Q Did Mr. Darrow give you a digest of it?

THE PRESIDENT: No.

Q Mr. President, will you be able to go to Secretary Woodin's funeral?

THE PRESIDENT: I had hoped to go but it is absolutely impossible. I have so many things on that I do not see any way out of staying here. I have the sugar bill and the silver conference tomorrow morning and I have the revenue bill, which probably will call for a Message on my part.

Q You mean the revenue bill?

THE PRESIDENT: Yes. I think you can make a pretty good guess that I am very, very much dissatisfied with the provisions in regard to cocoanut oil products of the Philippines in the revenue bill but it is a bill that contains a very large number of other matters and I do not see my way clear to veto it for that reason but I do expect to send a Message to the Congress explaining my feeling that the Congress has been unfair to the Philippines in that regard and suggesting that the Congress restudy those provisions. That is about the best I can do.

Q Any other objectionable features to the bill you might mention in that Message?

THE PRESIDENT: None that have been called to my attention yet but probably will be tomorrow and the next day.

Q Is it a fair guess that publicity of returns --

THE PRESIDENT (interposing) Fred (Storm), what does it actually say in the bill as it passed?

Q (Mr. Storm) You have me now. (Laughter)

Q I have written about it a great many times, sir, but immediately after reading it the bill would be changed.

Q When you file your income tax return, you file a separate sheet giving your gross and deductions and net.

THE PRESIDENT: Yes?

Q And then that part is to be made public, but not the returns.

Q And also all credits as well as the tax itself.

THE PRESIDENT: What do you mean, credits?

Q It is to give gross income, deduct any income and credits against net income and finally the tax. That is the formula.

THE PRESIDENT: I never had any credits against net income. Anyway, it sounds pretty good that way.

Q That is the way it was explained to us.

Q Has the Attorney General ruled yet on the application of the Johnson Bill to token payers?

THE PRESIDENT: He is going to, pretty soon.

Q In that connection, are we any nearer the debt Message?

THE PRESIDENT: I should think so. I think, as a guess, within a couple of weeks.

Q Suppose Congress adjourns in the meantime?

THE PRESIDENT: That is an impossible suggestion. What odds do you give me?

Q Do you mean we may have it in a couple of weeks?

THE PRESIDENT: I think so. That is on the theory --

Q (interposing) Do you propose to sign the revenue bill tomorrow?

THE PRESIDENT: It means I have to have the Message ready when I do sign it to go up at the same time.

Q Do you expect to sign the sugar bill today or tomorrow?

THE PRESIDENT: Probably not until Monday. There again there will be some kind of a statement which has to cover a great many things, Puerto Rico and Hawaii, Cuba, the Philippines, et cetera.

Q Have you given any thought to asking the Congress for authority to accept some payments from the debtor nations on June fifteenth at your own discretion?

THE PRESIDENT: No.

Q In connection with the silver conference tomorrow -- that is my old subject -- there are reports in Wall Street of a lot of buying of silver and there is some speculation that that might be done by the Government?

THE PRESIDENT: I would probably tell you if I knew anything about it but I don't, one way or the other.

Q Your intention to send a debt Message to Congress this late in the session, does that mean you will not ask for Congressional action on the war debts?

THE PRESIDENT: You are about two weeks ahead of time on that.

Q Mr. President, do you favor the promulgation of a code for the anthracite industry? They haven't a code yet.

THE PRESIDENT: What is the status?

Q They have been negotiating since September. It was first deferred to await promulgation of the Soft Coal Code.

THE PRESIDENT: Where is it now? Who is it before?

Q Before Mr. Ellis of NRA.

THE PRESIDENT: As I remember it, the last word was two or three weeks ago when General Johnson said it was pretty nearly ready. I have not heard anything since then. The Aluminum Code is in the same status. It is a little more difficult because it is a monopoly code.

Q Have you any plans to give a report over the radio?

THE PRESIDENT: No.

Q Can you tell us anything about the future of the Darrow Board, whether it will be transferred or wound up?

THE PRESIDENT: Mr. Darrow told me this morning that this report is based on hearings on eight industries and I think he told me they would have hearings on four or five more which they are not yet ready to report on. He saw no reason why they should not be all ready to make a supplementary report and go home before the end of the month.

Q It seemed in that report that Mr. Sinclair (a member of the Board) neglected to sign the report of the Board. I wonder --

THE PRESIDENT (interposing): It is all in here, in carefully sealed envelopes and I have not opened them yet. I will have to use tongs.

Q "The Darrow Board would be ready to go home," does that mean the end of the Board?

THE PRESIDENT: Yes, so I understood. As far as I know, there is no reason to continue after they make their report.

Q Has Sinclair resigned or is he technically --

THE PRESIDENT (interposing): The status is not changed.

Q Anything special up before the Cabinet today, any one subject?

THE PRESIDENT: Everything under the sun.

Q Any price studies?

THE PRESIDENT: No.

Q Is that Darrow report a majority report or are there several reports there?

THE PRESIDENT: I think there is a majority report and I think there is a minority report of one, but that is only a guess.

Q Thank you, Mr. President.

(The Press Conference adjourned at 4.20 P. M.)

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CONFIDENTIAL
Press Conference #119,
Executive Offices of the White House,
May 9, 1934, 10.43 A. M.

Q It looks like you are going to sign a bill today (referring to a bill on the President's desk which had quite a number of pens attached to it).

THE PRESIDENT: I am going to start charging (for these pens). Twenty-five cents apiece. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I am going to sign the sugar bill at eleven o'clock and a large number of pens are requested. It is a very costly procedure for the Government and I am going to charge twenty-five cents apiece for all pens used in signing bills from now on.

Q Cheap at half the price.

Q Can you tell us whether you consider now that the debtor nations can escape the penalties of the Johnson Act?

THE PRESIDENT: You are going to anticipate that famous Message going to the Congress. It is nearer now than last week.

Q Will an explanation of that be contained in the Message?

THE PRESIDENT: Maybe; I do not know.

Q Can you give us any clarification on the debt Message at all?

THE PRESIDENT: No, because all these stories being written -- I do not know where they come from. I believe that the position of this Government is what it has been all along. There has been no change --

Q (interposing) Mr. President, --

THE PRESIDENT -- no applications made by any other nations or revisions.

Q There seems to be a great deal of opposition, according to the newspapers, against the appointment of Scott, the colored lawyer here, as Judge of the Municipal Court. Can you tell us something about it?

THE PRESIDENT: All I can tell you is that I read about the opposition and sent the whole thing over to the Attorney General to give me a report on it. That was about a week ago.

Q As I understand it, if they do not ask for a revision of war debts, we are not offering any?

THE PRESIDENT: The position is exactly the same. In other words, for over a year and three months we have said very definitely that if a person owes money and feels he cannot pay it, it is up to him to go to his creditor and tell him the story.

Q That means that no negotiations with England at all?

THE PRESIDENT: None.

Q Didn't Britain come and tell us the story last November?

THE PRESIDENT: Yes, came and told us the story and made a suggestion as to terms, which was not satisfactory.

Q Have they come back again?

THE PRESIDENT: No.

Q You say the position of the Government has not changed. Doesn't the Johnson Act change it as regards partial payments?

THE PRESIDENT: No.

Q It raises the question, can we still accept the partial payments and declare they are not in default?

THE PRESIDENT: That question came up last year just about this time. I took the position at that time, under all the circumstances, that I personally did not consider it in default. Then they came back last November and we canvassed the situation as of that time and again thought it over very, very carefully, and decided again that from my own personal point of view it did not constitute a default. Now, the question has not come up in regard to the general payment yet.

Q You do not wish to say anything regarding --

THE PRESIDENT (interposing): That would be prognostication without facts.

Q Do you have something to say on silver this morning?

THE PRESIDENT: I think yesterday's statement covers it all right.

Q Is the silver bill now on the list of "must" legislation?

THE PRESIDENT: No. As far as I know there isn't any silver bill yet.

Q If they get one along the lines outlined yesterday --

THE PRESIDENT (interposing): That is an "if" question, Stevie (Mr. Stephenson).

Q Would you have any thought of exempting PWA from the application of the municipal bankruptcy bill?

THE PRESIDENT: I do not know enough about it to answer that question. I haven't even talked with Secretary Ickes about it.

Q He expressed himself as feeling that PWA should be exempted.

THE PRESIDENT: I do not know enough about the status of loans made to municipalities and the conditions of municipalities to which the loans were made really to have an opinion on it. I am glad you mentioned it. I am going to take it up.

Q Do you have any ideas of filling the vacancy up at the RFC?

THE PRESIDENT: Lots of them but they have not crystalized as yet.

Q They are drawing a bill up on the Hill providing for the nationalization of silver -- a 25% ratio.

THE PRESIDENT: I think, for background, the easiest way to put it is this: that on the question of increased metallic reserves of silver, there is nothing new in that. That is an old, old thing. We have had much larger silver metallic reserves in a great many other periods of history. We had them during the McKinley Administration, the T. R. Administration, and it is only in comparatively recent years that the silver metallic reserve has been brought down as low as it is now, around 12% at the present time.

As you know, last year we talked in London about trying to get all the nations to increase the ratio of their silver metallic reserves to gold. There is nothing new and startling in it in any way. Half of the world, after all, is on silver, so that part of the story is not exactly new in any way.

The only thing that is new is the canvassing that we are doing as to the desirability or the necessity of giving to me or the Treasury Department the same authority to take over silver stocks in this country that we already have and have carried out in the case of gold stocks. The difference really would be that in taking over the silver stocks we would take over only the silver bullion stocks. In other words, we would not put the silver coins out of general circulation. People would still be allowed to hold them for circulation but not for hoarding purposes.

Q Have you the power to do that under the existing Thomas Act?

THE PRESIDENT: We don't think so. We don't think we have the right to commandeer silver in the same way we did to commandeer gold.

Q On the war debt, I understood you to say that the Johnson Bill does not change the Government's position. Does that mean that the question will be decided on its own merits each time?

THE PRESIDENT: Yes.

Q Can you comment on the Darrow Report?

THE PRESIDENT: Yes. (Laughter) Remember, I said I was going to look into it. Finally, I did cut the string and unwrapped and started to read it and I decided, in the first place, that it was a thing we could not possibly brief unless we put two or three people on it and it is a thing you people couldn't have read unless you appointed a committee to read it, section by section. The result is that I am referring it to three people, the Attorney General, the Federal Trade Commission and the NRA, to digest it for me, that report and the minority report.

Q Can you tell us anything about the Wagner Bill? I understand it has gone back to the Senate Committee.

THE PRESIDENT: I cannot talk about it intelligently because we are all agreed on the general principle of the bill but it is the kind of measure that ought to be discussed in committee up there and it is in the legislative stage.

Q Are there any developments in your water conservation program -- flood control?

THE PRESIDENT: I probably will have the Message for Congress by the end of this week. I am sending up the report they asked me for.

Q Was that committee to include this work projected some months ago?

THE PRESIDENT: Yes.

Q Is there any comment on the Mullen verdict?

THE PRESIDENT: No, except we did with him as we did with everybody else. We made no exception one way or the other.

Q You say the question of token payments will be decided on their own merits. Does that mean if the debtor nation should offer a substantial payment we might except them from default?

THE PRESIDENT: You cannot answer that categorically because it would depend entirely on the circumstances when they arose and they have not arisen.

Q Getting back to the Darrow Report, can you tell us the status of Sinclair?

THE PRESIDENT: Why, yes; there is no particular reason you should not know it because you know it already. He has tendered his resignation.

Q Have you accepted?

THE PRESIDENT: No. I have not done a thing about it except to refer the package to those three departments.

Q Have you had a report on the desirability of a uniform Federal incorporation law?

THE PRESIDENT: No. I think there was a committee that started to study it about six months ago and they were terribly busy and felt that at this session of the Congress nothing should be asked. They will go ahead with the study of it during the recess. Whether they will recommend something or not, I do not know.

Q Have you decided on the revenue bill, just when that will be signed?

THE PRESIDENT: I think I will get to it tomorrow.

Q On the silver, are you considering anything beyond the possible acceptance of authorizations with respect to silver? Is there any talk of mandatory legislation in any form?

THE PRESIDENT: No.

Q That was given out generally in some circles on the Hill?

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THE PRESIDENT: Now, wait a minute. You get to a very fine distinction. In that second thing, we did mention and we did discuss yesterday the possibility of Congress either stating an ultimate objective or a national policy as a declaration of the Congress. Now, of course, in a sense a declaration of the Congress is mandatory but if the method and time of carrying it out is not put down in the bill, that part of it is permissive. So you get two factors right away.

Q That is the point I was thinking of.

THE PRESIDENT: In other words, what I was talking about yesterday is both mandatory and permissive. The policy becomes a mandatory policy but the method of carrying it out remains permissive.

Q Nationalization would be mandatory, would it not?

THE PRESIDENT: No.

Q It would give you authority?

THE PRESIDENT: Yes.

Q And so far as that goes, that would be acceptable to you?

THE PRESIDENT: I am still studying it. I have not said that yet; you nearly had me. (Laughter)

Q Has Russia made any offer to us?

THE PRESIDENT: No; nothing has come in at all.

Q They are supposed to have offered, I think, one hundred million dollars?

THE PRESIDENT: No.

Q Do you expect to send a Message to the Congress about the housing program soon?

THE PRESIDENT: Yes.

Q This week?

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THE PRESIDENT: I hope within the next couple of days.

Q Do you favor law control legislation this session?

THE PRESIDENT: Yes, I think we ought to do it.

(The Press Conference adjourned at 10.55 A. M.)

CONFIDENTIAL
Press Conference #120,
Executive Offices of the White House,
May 11, 1934, 4.15 P. M.

MR. DONAIDSON: All in.

THE PRESIDENT: I do not think I have any news. Has anybody got any?

Q Mr. President, we understand that the State Department has been notifying the representatives of the debtor nations that their governments will not be exempt from the penalties of the Johnson Act if they continue to make token payments. The State Department refuses to say anything officially. Can you tell us whether that is so?

THE PRESIDENT: I think you will have to get it from the State Department. I hate to cross wires.

Q Is it not conceivable that if the debtor nations were to offer us a substantial payment, considerably higher than the token payment --

THE PRESIDENT (interposing): That is the same question that Stevie (Mr. Stephenson) asked the day before yesterday. In other words, exactly what I said the other day, that I cannot give an answer to any specious case until I know the case.

Q What puzzles us is whether or not you are going to hold them liable to the Johnson Act unless they make full payments or whether you might be willing to find some means of getting around the Johnson Act if they made substantial payments along the lines of their capacity or desire to pay.

THE PRESIDENT: There you are running into the same thing. We cannot say anything about these things until some nation makes a proposition.

Q Then that is still an open matter?

THE PRESIDENT: Yes.

Q Has any nation asked new negotiations?

THE PRESIDENT: I do not think so.

Q The British today seemed to express the feeling that if you could call a general debt settlement conference, they would appreciate it very much. (Laughter) How does the Administration feel about that?

THE PRESIDENT: Just what we felt for a year and two months; exactly the same thing. In other words, no such thing as a general debt conference. Each nation is a debtor and talks with its creditor.

There has been a general effort to -- this has to be off the record -- there has been a general effort, ever since I have been here, ever since I was elected in November, 1933, to gang me, this is off the record, into saying that we would have a general conference. I said, "No, we will talk anything over with any individual debtor at any time." We have not changed that position.

Q May we point out that our position in dealing with them individually still remains unchanged?

THE PRESIDENT: Yes.

Q How far off is our debt Message?

THE PRESIDENT: Well, I should think I ought to be able to get it in inside of the next ten days. In other words, what I am planning for is to get it up the week after next, the early part of the week.

Q What are you going to say in that, Mr. President? (Laughter)

Q Will that be a sort of general report on conditions as they are? (Laughter)

Q What is the latest on the selection of the Public Printer?

THE PRESIDENT: I do not know.

Q There has been a name mentioned?

THE PRESIDENT: I have not, frankly, been handling it myself. I have two or three other people looking into it and, as I understand it, they came down to two or three names a week or ten days ago, but I have not heard.

Q Do you know anything about the drought in the Middle West? (Laughter) You know Clint Mosher once referred to you as "The Rainmaker"?

THE PRESIDENT: I do.

Q When does the relief appropriation Message go up, that billion and a half?

THE PRESIDENT: Monday. By the way, it is less than a billion and a half because they have been chipping it away. I can tell you that the amount left now looks about a billion, 322 million dollars.

Q Can you tell us whether that boring has been in the Public Works, whether that reduction has been in the Public Works?

THE PRESIDENT: Oh, no. It has been all sorts of -- I will see if I cannot give you enough of a hint on it to give you an idea.

Q Mr. President, is there any plan to help the drought sufferers out West?

THE PRESIDENT: Yes, we talked all about it in Cabinet. This is something you cannot use yet, it has got to be off the record. We have been working on it for a whole year and I think I have talked informally here about the general theory of it. This has got to be off the record because I am a month away from a story on it. With crop control, in those crops in which there is a surplus of production over consumption, where we are trying to bring production within the general field of consumption in order to prevent abnormally low price levels, at the same time you have to recognize the element that you may have a year of bumper crops and another time you may have a year of serious crop shortage.

Over a year ago we began discussing the principle of establishing what might be called a reserve granary which would contain a large carryover, which would amount to a larger carryover than we have been carrying in normal years. That reserve emergency granary could be used to put surpluses into in the bounteous years, and then we could draw on that granary in years of drought in order to prevent any starvation or anything like abnormally high prices, so that it would work both ways. In other words, in years of plenty it would prevent abnormally low prices and in years of drought it would prevent abnormally high prices.

The thing has been, more or less, in a very tentative stage, a very tentative study stage, for the past year, and they are working on it at the present time. We hope to have something along that line worked out during the course of the next few weeks, not as a message to be presented to this Congress, but as something to be studied as rather an essential component part of the general agricultural program.

Q Do you care to tell us what feature of the drought was discussed in the Cabinet meeting?

THE PRESIDENT: Just the localities, the different localities which came out in the report.

Q Was there any discussion of making funds available for some of the farmers who complain that their crops are going to be ruined?

THE PRESIDENT: No. Of course that would be handled out of the general relief funds if it came to the point of necessity.

Q Was there any discussion as to how large a fund is now available for that purpose?

THE PRESIDENT: That you will find in the Monday appropriation bill. I cannot tell you now but somebody was asking about how the total of $3,166,000,000. had been chipped away up to the present time. Well, just a few items, for instance, crop loans, $40,000,000., necessarily reduced that original amount by that much. Then farm mortgages, $40,000,000. -- that is additional capital; veterans' benefits, $22,000,000.; Army Air Corps, special appropriation, $5,000,000.; Mississippi flood control, $29,000,000.; Independent Offices' Act, $228,000,000. Those are the principal items and there are miscellaneous supplementary items which I would leave out because they always go in at the end of the session. Those items I gave you are the principal ones which might be called unexpected reductions from the total amount of $3,166,000,000. If the financial writers would like, before I send this bill up on Monday, would like to come in and have a talk over it, the way we did on the general Budget bill, I would just as soon do it. Talk with Steve (Mr. Early) about it and we can have just another little informal talk about the items in this big appropriation bill so that we will have some background for writing the stories.

MR. EARLY: You don't know when you will send it?

THE PRESIDENT: I thought I would send it up on Monday afternoon.

MR. EARLY: Then we can have a Monday morning conference?

THE PRESIDENT: Yes.

Q Governor Green of Rhode Island is in town. Has he been in to see you?

THE PRESIDENT: I saw him about a week or ten days ago.

Q He is not coming in at this time?

THE PRESIDENT: Not that I know of.

Q On these figures, I am not clear -- those are --

THE PRESIDENT (interposing): Those are unexpected amounts which we did expect would be appropriated last January and of necessity, if the Budget balancing is to be maintained, they have to be deducted from the $3,166,000,000. because there is no other place to deduct them from.

Q On the $288,000,000. Independent Offices?

THE PRESIDENT: Yes.

Q Under the Mississippi flood prevention, does that include the Wabash and White Rivers?

THE PRESIDENT: I don't know; you have me there.

Q Mr. President, do you favor the six-hour day for railroad labor at this time? The movement seems to be gaining headway in the House.

THE PRESIDENT: I don't know anything about it.

Q They floated a petition in the House today to force a vote on the six-hour bill for railroad labor.

THE PRESIDENT: It is news to me.

Q Have you heard anything from the analysts of the Darrow Report?

THE PRESIDENT: No, only except some perfectly fool stories (laughter) -- the suggestion that it was not going to be made public. It will, as soon as somebody can read through and digest it for the Press.

Q You won't make the text available to the public?

THE PRESIDENT: Oh, yes; you can have the full text and take it to bed with you.

Q Is silver legislation unchanged?

THE PRESIDENT: No, still talking up there. Morgenthau was up there this morning.

Q No change in your attitude in relation to monetary legislation?

THE PRESIDENT: No.

Q Have you heard the latest on silver? They very nearly got to terms up there today on something but that has not been called to your attention?

THE PRESIDENT: No.

Q Do you favor the reelection of La Follette for Wisconsin? (Laughter)

THE PRESIDENT: I am not taking any part in any primary or election.

Q You say you will be able to make public the Darrow Report sometime next week?

THE PRESIDENT: The early part of the week.

Q Has Thorpe resigned?

THE PRESIDENT: Yes, and while I have not actually written the letter, it is going out this afternoon, accepting it with great regret.

Q Who is that?

THE PRESIDENT: Thorpe.

Q Are you going to appoint a State Marshal in South Carolina?

THE PRESIDENT: I do not know yet.

Q On the matter of that drought, do I understand there was some information about relief in the appropriation?

THE PRESIDENT: No. Whatever has to be done will be included in the general relief fund, which is quite a large fund.

MR. EARLY: Harry Hopkins is making announcements on those things.

Q Is any item on naval construction in there?

THE PRESIDENT: No, it is not in here.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #121,
Executive Offices of the White House,
May 14, 1934, 12.10 P. M.

(This was a special financial Press Conference called to discuss the President's Message to Congress of May 15, 1934.)

THE PRESIDENT: I won't make any remarks about the financial knowledge of the Press, newspaper men and sailors; they have the same general reputation. (Laughter)

Q All goes out and nothing comes in.

THE PRESIDENT: Yes. I think the easiest way is to read the Message that is going up to the Congress.

Q When is it going up?

THE PRESIDENT: Tomorrow. Do not use it until it does go up.

(Reading) "TO THE CONGRESS OF THE UNITED STATES:

"In my budget message to the Congress of January 3, 1934, I said to you:

'It is evident to me, as I am sure it is evident to you, that powerful forces for recovery exist. It is by laying a foundation of confidence in the present and faith in the future that the upturn which we have so far seen will become cumulative. The cornerstone of this foundation is the good credit of the government.

'It is, therefore, not strange nor is it academic that this credit has a profound effect upon the confidence so necessary to permit the new recovery to develop into maturity.

'If we maintain the course I have outlined, we can confidently look forward to cumulative beneficial forces represented by increased volume of business, more general profit, greater employment, a diminution of relief expenditures, larger governmental receipts and repayments, and greater human happiness.'

"The budget which I submitted to the Congress proposed expenditures for the balance of this fiscal year and for the coming fiscal year which, in the light of expected revenues, called for a definite deficiency on June 30, 1935, but, at the same time, held out the hope that annual deficits would terminate during the following fiscal year.

> "It is true that actual expenditures since January have proceeded at a slower rate than estimated; nevertheless, it must be borne in mind that, even though the actual deficit for the year ending June 30, 1934, will be below my estimate, appropriations are still in force and the amounts actually to be expended during the following fiscal year will, therefore, be increased over and above my estimate for that fiscal year."

There have been a lot of editorial writers who have gone absolutely cuckoo on that particular subject, as you know. In other words, they have said, "Oh, the Government is not going to spend within three billions of what they thought they were going to spend, therefore there is going to be that much saving." Of course, that is nonsense, because that money has been appropriated and will be spent and most of what is not spent this fiscal year we are in now will be spent in the next fiscal year, so that by the end of June, 1935, we will have expended, as far as we can now tell, most or almost all of the appropriations that either are in force or will be in force when Congress adjourns this year. The money will be gone. There are very, very few items where the actual expenditure will not have been made. They will be certain items of public works, long-term public works, where there is a three-year job to do. There may be some recovery on those items, but the total will be very, very small. I should say, just at a rough guess, that a total of those items of public works that have already been approved and allotted which won't be spent until after June 30, 1935, will not run to perhaps more than three or four hundred million dollars which, against the total, is almost nothing.

> (Reading) "In this connection it is relevant to point out that during the fiscal year 1935 it is estimated that there will be actually expended on public works $1,500,000,000 out of appropriations heretofore made."

In other words, we reach the peak of expenditures on public works, PWA, some time in August this year, and most of the old three billion three hundred million will have been actually expended by the 30th of June, 1935, except for that lag that I spoke to you about, things which take three years to build.

> (Reading) "In my budget message of January 3, 1934, it was pointed out that there could be no abrupt termination of emergency expenditures for recovery purposes, that the necessity for relief would continue, and that appropriations amounting to $3,166,000,000 in addition to the appropriations contained in the budget itself would be requested for the two fiscal years ending June 30, 1935."

That is the famous sum of $3,166,000,000.

> (Reading) "The present Congress has already made appropriations out of which, for the two fiscal years in question, it is estimated there will be expended the following sums:"

Now, this list contains items which did not appear in other parts of the budget. In other words, they have got to be taken out of the $3,166,000,000 if we are to stick within that figure. Those items are, Relief, $950,000,000, already appropriated. That, in itself, ran a good deal higher, as you know, than our January 3rd relief estimate, and that was because of the additional money that we felt was necessary to put into the CWA during the winter and also the fact that, during the course of this summer, we will not be able to slow up as much as we expected to.

The next item is Crop Loans, $40,000,000, and Farm Mortgages, $40,000,000. Now, on the farm mortgages, that is a capital expense because it is providing capital for the farm loan banks and intermediate credit banks.

RFC, $500,000,000. Veterans Benefits, $22,000,000. Army Air Corps, $5,000,000. Flood Control, Mississippi River, etc.,

$29,000,000. Well, of course, that last item in one sense is a relief expenditure, but it has been earmarked.

Independent Offices Act, $228,000,000. That contains the additions on the Government employees and veterans.

Miscellaneous Supplemental Estimates, $30,000,000.

That all makes a total of $1,844,000,000 which has to be taken away, deducted, from the $3,166,000,000.

This leaves a balance of $1,322,000,000, and out of this balance it is necessary first, to take specific items that have to be appropriated for Federal Land Banks, which are subscriptions to paid-in surplus, $75,000,000, and reduction in interest payments -- that was when they cut it from five to four and a half, or four and a half to four per cent, $7,950,000.

We also have to appropriate for the emergency bank act and gold transfer $3,000,000; for the Internal Revenue Service $10,000,000 -- which is the effort to stop bootlegging; for salaries in the office of the Secretary of the Treasury $100,000, and for the Secret Service $45,000, making a total of $96,095,000, which has to be deducted from the balance of $1,322,000,000.

That leaves available -- and this figure you want to put down -- $1,225,905,000, which is available for the following purposes:

> (Reading) "Civilian Conservation Corps Camps, Public Works, and Relief Work, in addition to amounts already appropriated, and including aid to the dairy and beef cattle industries."

Now, taking that sum of $1,225,905,000, it is estimated that the minimum requirements -- using this process of elimination all the way down -- the minimum requirements of the CCC Camps will be $285,000,000. You deduct that from the $1,225,905,000, and the amount available for public works and relief is $940,905,000. A very simple checkup of these figures shows that they total -- in other words, putting it the other way around and leaving out the odd figures, taking $940,000,000 for public works and relief, $285,000,000 for CCC Camps, and $96,000,000 for the small items that I mentioned, and taking the amount already appropriated, $1,844,000,000, a simple checkup shows that they total $3,166,000,000 to which reference was made in the budget message of January 3rd.

It was my thought in January, and it is my thought now, that this sum should be appropriated to me -- in other words, this sum of $1,225,000,000,

> "under fairly broad powers because of the fact that no one could then, or can now determine the exact needs under hard and fixed appropriation headings. In furtherance of this thought it seems appropriate to provide that any savings which can be effected out of certain appropriations made for emergency purposes shall be available for emergency relief purposes.
>
> "In my judgment an appropriation in excess of the above amount would make more difficult if not impossible an actual balance of the budget in the fiscal year 1936, unless greatly increased taxes are provided. The present estimates should be sufficient as a whole to take care of the emergencies of relief and of orderly re-employment at least until the early part of the calendar year 1935. If at that time conditions have not improved as much as we today hope, the next Congress will be in session and will have full opportunity to act."

Now, I am also making a recommendation that out of this lump sum there be made certain specific allocations of $48,000,000 for TVA, that being a public work, $35,000,000 for Federal buildings, $100,000,000 for public highways, $40,000,000 for increase of the Navy, and $325,000 for the Executive Office Building. That last item is to give us some room to work in.

By the way, if we get a new building I am going to get an oval room, but it is going to be two feet longer. I am adding that for the Press.

Q Can we get a bar in there?

THE PRESIDENT: Sure. I am going to have steps going up to the mantel piece so the short fellows can sit on the mantel piece. (Laughter)

Then for the inter-American Highway, $5,000,000. That is to provide materials for those countries all the way down to Panama that cannot make their own materials.

Q Is that for the survey or the actual construction of the highway?

THE PRESIDENT: No, I think it is for materials to be bought in this country and donated to those highways. Of course, in a sense, it works in under the relief plan because it puts people to work. It is our contribution.

And then the rest, roughly and broadly, goes into relief and PWA.

And then there is one other clause, and that is the clause that would allow me to transfer certain items, certain appropriations if they were not used, to transfer them to relief deficits. For instance, Jesse Jones has already got $500,000,000 and while he does not know and I do not know, nobody knows, whether the RFC will find it necessary or advisable to spend that whole additional $500,000,000, the idea is that if, when we come to it in the fall, he does not need to spend it and we need more money for Harry Hopkins, we will be able to transfer it from Jesse's appropriation to relief work.

Well, that really covers the whole thing.

Q Mr. President, does the Department of Justice get anything in its work under the coming plan?

THE PRESIDENT: I think they got it in the deficiency part of this bill -- Internal Revenue gets $10,000,000 -- I don't think it is in the bill, but I talked with Lew Douglas about it and it is going in somewhere. I forget how much they want, I think it is two or three million dollars. I don't think it is physically in there, but it will be asked for all right. It is a comparatively small amount.

Q There is some talk on the Hill as to the right to use this money in a discretionary way.

THE PRESIDENT: Well, the answer is two things: No human being can tell what the situation is going to be on the first of October. Congress won't be back until January and we don't want Congress back for a special session. Further, they don't want to come back for a special session. And nobody, on the whole, will be able to tell as well as myself what the actual needs will be.

There will be, of course, a certain amount of effort to earmark it for one purpose or another.

Q Of course every dollar they earmark takes away from the money you may need next November?

THE PRESIDENT: Absolutely. On the highway thing, people have to realize certain very simple facts. In the first place, money that goes into highways is not as immediately effective as money that goes into what might be called a reorganized or planned CWA. Of course, last fall when we went into CWA it was not a planned thing. We had to trust to the localities, and a lot of localities did certain things and a few localities allowed graft and political preference to enter into it. On the whole, 80 or 90% of it was well spent, remarkably well spent, considering the fact that it was set up in the course of two or three weeks. Now, CWA money is the most effective in

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that it goes out in direct proportion to people who need it. On the other hand, highway money takes a long time to plan for. We got the highway money last June and the peak of the expenditure won't occur until some time this summer. The bulk of last year's highway money will be spent in 1934. And there will be some left over for 1935.

I am not against going ahead with highways. The pre-depression appropriation for Federal aid to highways ran to $100,000,000. But to go ahead at this time with a very much larger expenditure, runs up into the difficulty of taking it out of more direct and quicker relief. It brings us into the difficulty of having a large portion of the expenditure go to overhead and to people outside of the particular area as, for example, the contractors in the State of New York who came from Bridgeport, Connecticut. Then, there is also the fact that a great deal of this highway work benefits country communities where the actual unemployment, the actual relief need, are less serious than they are in the congested centers.

Now, of course, there is going to be an effort made without any question to earmark more money for this, that or the other thing. The only thing we can do is hope to work it out in some way.

Q From now on the problem with respect to communities is going to be the actual condition, their specific needs, rather than this equal --

THE PRESIDENT: (interposing) That is true today. There are a good many communities in the country where distress has been reduced 50 or 75%. Then there are other communities where distress conditions have not been very much relieved because of families that have been able to hang on without relief up to this time but have come to the end of their rope.

Q How about this highway bill of $400,000,000?

THE PRESIDENT: That is an authorization.

Q Does that fit into this picture in any way at all?

THE PRESIDENT: I don't see where the money for $400,000,000 for highways is coming from unless we have more taxes.

Q They also appropriated money for beef and dairy cattle?

THE PRESIDENT: That is included in here.

Q It comes out of public works in addition to relief?

THE PRESIDENT: It comes out of relief, yes.

Q When you say that the economies should be left to your discretion, does that mean that in any of the appropriations which are made --

THE PRESIDENT: No.

Q -- you might take that saving and decide in your own mind where to spend it?

THE PRESIDENT: No. It is very definitely limited. Any savings or unobligated balances in existing appropriations or any savings which can be effected out of certain appropriations made for emergency purposes shall be available for emergency relief purposes.

Q Would that permit cancellation of existing PWA projects and shifting of the funds?

THE PRESIDENT: No.

Q Are you planning to have more activity in housing as part of this public works program in the next fiscal year?

THE PRESIDENT: Well, of course there is quite a lot of PWA money in here. And then, there is also some that is left over. A large portion of it will go for housing projects. And then in addition -- I did not have time to talk about it this morning -- the message that went up today called for setting up a Corporation which can be obligated for $200,000,000, but I don't think that that is included in the budget, one way or the other. In other words, it is on the same basis as the $2,000,000 on farm loans and the $2,000,000 on home loans. It is what might be called a contingent liability of the Government which does not figure in the regular budget. You must remember that after the regular budget went up the Government guaranteed four millions of home and farm credit bonds. It is a guarantee and will appear in the annual statement as a contingent liability. But there isn't much chance of any of it being lost. It looks pretty good, and I think it is Lew Douglas' idea to include this $200,000,000 insurance corporation in the same category.

Q Have you decided yet on who is going to administer the new corporation?

THE PRESIDENT: Which one?

Q Housing.

THE PRESIDENT: No, I haven't taken it up at all.

Q On this new appropriation for relief, does that mean that the CWA is going to be revived?

THE PRESIDENT: No, there is no new corporation. Hopkins continues to run relief and Secretary Ickes Public Works. It simply means that if Hopkins gets short of relief money in the Fall and Ickes has some or Jones has some, that I will be able to transfer either from Ickes or Jones to tide Hopkins over.

Q Last April the CWA was discontinued and the new process of administering relief was in effect. Now, is it contemplated that this appropriation of $400,000,000 is to re-establish the CWA in the winter time as a Federal project?

THE PRESIDENT: There again, I cannot tell; it is too soon. If we do re-establish CWA, it will be done along new lines. They have some fancy term for the new CWA.

Q E. W. D.?

THE PRESIDENT: That is it. It will be done that way.

Q You are still, of course, shooting for a balanced budget in 1936?

THE PRESIDENT: Yes. But, of course, there again we don't know. Now this program, if things go extraordinarily well, ought to be enough to last us through, but if things do not go well we will have to have more money, especially for relief work in January or February, immediately available. If things go very badly, I will have to transfer some funds to carry us through until Congress comes back. That is the main point.

Q The financing of the deficit for this fiscal year, there will be nothing extraordinary about that? You will continue the sale of securities?

THE PRESIDENT: That is going along very well.

Q Has anybody brought to your attention the amount or the percentage of Government securities that now form bank assets? That is to say, the banks have an extraordinary percentage of Government securities among their assets. Presumably, if those securities are going to be sold through the next fiscal year, that percentage will become considerably higher.

THE PRESIDENT: No, it will work out all right if the banks start to push out credits based on those securities. That is largely up to the banks. If the banks will only do their bit. Those securities, the sum of them, immediately form the basis of three or four times their face value in the form of credit.

Q About twenty billion dollars?

THE PRESIDENT: Yes. In other words, the banks, if they will only push the money out and start things going, will help the situation materially. Here is the thing which has got to be more or less off the record, sort of half-way between background and off the record: There has been all this howl about how the banks are doing their work. On the other hand, we get in here, constantly, protests because banks won't lend on good security. A man came in the other day to see me. He lives in a town of 50,000 people. He said, "My wife and I, about four years ago, bought a little piece of land in the suburbs and paid a thousand dollars. I have got two children. All my taxes have been paid up to date. I have a job and never lost a job, and am making $125 or $150. I have saved up $1,500. We want to build a $3,000 house. In other words, when the house is completed, the property will have cost me $4,000 all together. Now we have that $1,500 in the bank and want to build the house. We need to borrow $1,500, which is a comparatively low percentage and give a mortgage on the property worth $4,000. But there is not a bank in town which will lend it to us. We went to the building and loan association and they said, 'No, nobody is investing.'"

Well, this bill going up today takes care of that because it provides for partial Government insurance for building and loan associations and it ought to enable them to get more savings in in order to enable them to push it out in the form of loans. That will take care of that typical case of the man who wanted to borrow $1,500 to build a $4,000 house.

Q Was that refusal because of the type of the loan?

THE PRESIDENT: I will tell you the real reason. The little banker -- and this is off the record -- the little banker in this little town is in touch by telephone once a week with the Guaranty Trust Company in New York. The Guaranty says, "Our policy is to remain 100% liquid." The little banker takes his cue from the Guaranty Trust Company. If the Guaranty Trust Company and one or two of the other big banks in New York adopt a policy, that spreads all over the country, and in about a week every banker on the crossroads knows that the policy of the big bankers is to remain liquid. It centers right up in New York City, let's be frank. It is psychology, and the little fellow follows the banker in the big city.

Q A leading banker said that if a man owned a lot in Detroit worth $2,000 and wanted to build an $8,000 house that he did not know of anybody in Detroit to whom that man could go to get the additional $2,000 with a $10,000 place offered as security.

THE PRESIDENT: Yes, and the banks are loaded with money.

Q We would be glad to write this.

THE PRESIDENT: Keep it in the back of your heads. You can color your stories that way.

Q Have you estimated the amount which will be appropriated for your discretion if the Congress accepts your proposal? Is it something around two and a half billion dollars?

THE PRESIDENT: Oh, no. The discretionary? You mean on the transfers?

Q Yes.

THE PRESIDENT: On the transfers, there is a possibility of transferring out of Jesse Jones' five hundred million dollars whatever he does not need. There is the possibility of withdrawing from Ickes such balance as he has not allocated out of his un-earmarked PWA fund which is only about two hundred and fifty million dollars. And those amounts can only be transferred for relief purposes and nothing else.

Q The discretionary amount, then, is about $750,000,000?

THE PRESIDENT: Yes, total. And, of course, it really, actually, will be a good deal less than that because Jones will use some of his and Ickes some of his.

Q Mr. President, can you tell us about this $40,000,000 for the Navy?

THE PRESIDENT: That has already been done.

Q Secretary Swanson said the other day that he wanted $32,000,000, of which $27,000,000 was for ships and $5,000,000 for aircraft. I wondered where the other $8,000,000 was going to go.

THE PRESIDENT: I don't know. The figure I got down here is $40,700,000 for the Navy, aircraft, equipment and facilities.

MR. EARLY: Let us make it clear that all this is in confidence.

THE PRESIDENT: All in confidence until the message goes up.

Q When will copies of the message be available?

MR. EARLY: Tomorrow morning at ten-thirty. It goes up at noon.

Q These appropriations are supposed to run to June, 1935?

THE PRESIDENT: Yes, June, 1935.

(The Press Conference adjourned at 12.40 P. M.)

CONFIDENTIAL
Press Conference #122,
Executive Offices of the White House,
May 16, 1934, 10.40 A. M.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think I have any news. Somebody was asked to ask me a question in regard to this Securities and Exchange bill, a question of who is going to run it, and the answer is a very simple one, that I was very, very scrupulous in keeping my hands off the bill when it was in the House and in the Senate and I told Congressman Rayburn's Committee that of course we had to have some machinery to enforce it and it was up to them to decide what they thought was best. They decided on the Federal Trade Commission and I told Senator Glass that I would interpose no objection if his Committee wanted to put it in as a separate commission, which they did.

Now it is in the point in conference where they have asked me my own feeling and I very carefully did not make up my mind until the bill had passed both Houses because I wanted to keep an open mind and decide honestly what I thought was the best thing for the administration of the bill. After what you call careful consideration, there are a lot of reasons that make me feel, personally, that it would be better to have the bill administered by the same agency that is administering the securities bill, in other words the Federal Trade Commission. That is my own personal feeling about it. The Federal Trade Commission, in the first place, has a great many -- has existing machinery which would be, to a certain extent, duplicated by another commission, a separate commission; in the second place, it saves money to add two commissioners to the Federal Trade Commission rather than appoint five -- the overhead won't be as great if it stays in the Federal Trade Commission; and then there is the other reason, which I have to make off the record, and that is that, thinking into the future, if it is put into the Federal Trade Commission as one of many duties, it will be less liable to political change in future years. In other words, it would be a more permanent part of our Government.

So I told that to the House Committee and I am telling it this morning at eleven o'clock, by telephone, to the Senate Committee so that they would know just where I stand on it. It is not a frightfully important thing, one way or the other, but so long as they have asked my views, there they are.

Q How about your views on minimum margin requirements? That is the other point.

THE PRESIDENT: The definite provision in the House bill should stand.

Then there was one other question in regard to that bill which was brought up yesterday. Under the Senate bill providing for a separate commission, the question of the banking credits for brokers' loans was divided in a rather complicated way between the Federal Reserve Board and the proposed separate commission. It seems to me that the question of banking credits should be either one way or the other. I suggested that they should remain in the Federal Reserve Board.

Q Mr. President, the Senate made some modifications in the Securities Act. Are those O. K. by you?

THE PRESIDENT: It was one of those frightfully complicated things. I have not gone into the details of it but, so far as I know, they are all right.

Q Anything on the cocoanut oil tax?

THE PRESIDENT: I just haven't got to that. I am a bit behind, about three days behind on things at the present time. It will be going up just as soon as I can get it written.

Q Anything on the Darrow report yet?

THE PRESIDENT: Oh, I am getting the mimeograph started on it and I think you will have it this afternoon or tomorrow and also I got a report last night which again I have not read as yet. It is the question of physical time -- it is from Johnson (General Johnson) -- and that will be released too, but I have got to have time to read it first. I only got it last night.

Q Are you considering ordering an investigation of the various shootings and strikes in Los Angeles?

THE PRESIDENT: No, I have not heard anything. I have not seen that telegram from Governor Rolph. All that I know is what I read about it this morning.

Q No, the shooting in the last ten days.

THE PRESIDENT: I do not know anything except what has come out in the paper. I know nothing about it so far; in fact, it has not been brought to me so far.

Q What was your attitude on the labor bills pending?

THE PRESIDENT: Still in the conference stage.

Q Are you going to talk to the silver Senators today?

THE PRESIDENT: Yes, they are coming in after three o'clock.

Q Have you anything to say about Governor Black?

THE PRESIDENT: It is a perfectly simple thing. Governor Black has been

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pleading for the last six months to go back to his business in Atlanta and I have been begging him to put it off. He says he cannot afford to stay here. He came originally with the idea of staying three months and has been here for a year. I am going to keep him here just as long as I physically can. I told him yesterday I will have to order out the Marines.

Q Have you a successor in mind?

THE PRESIDENT: No, I have not talked about it yet.

Q Is Ambassador Davis taking over any suggestion from you in connection with the disarmament situation?

THE PRESIDENT: No. I can say no to that but there is no particular reason why you should not know that Norman Davis has been writing a speech. In other words, he has been writing a statement to make and we are going over it at the present time. I cannot tell you what it contains because that will have to wait until he gets to Geneva.

Q It is a safe assumption that it outlines our policy?

THE PRESIDENT: Yes.

Q Does it propose any new schemes or plans?

THE PRESIDENT: Wait a minute -- I will be giving it away.

Q Can you tell us anything about the conference on the Steagall Bill yesterday?

THE PRESIDENT: The only thing I asked them was please, for heaven's sake, to take a vote and get the bill out. So I think some kind of a bill is going to come out.

Q Mr. President, in connection with the disarmament, can you tell us anything yet about the Naval Conference for next year?

THE PRESIDENT: There hasn't been a single thing done on that yet.

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Q In connection with the Darrow Report, there has been a suggestion that you will have a conference with Darrow and Johnson to talk this over.

THE PRESIDENT: No.

Q Is your debt Message ready?

THE PRESIDENT: No. What time did I say, last Friday? Ten days -- I have not looked at it.

Q That was last Wednesday.

THE PRESIDENT: I still hope to get it up next week.

Q Have you found anybody for the Federal Power Commission and RFC vacancies yet?

THE PRESIDENT: No, I have to do something about it because Congress will go home.

Q Anything on the Soviet trade credit situation? The Soviet Ambassador talked to you about it.

THE PRESIDENT: No, that is still in negotiation here and in Moscow.

Q In connection with the debts, various dispatches state that the French may be considering sending over a debt mission to us. Have we heard anything officially?

THE PRESIDENT: No.

Q Have any of the nations made overtures for relief on debts?

THE PRESIDENT: Not so far as I know. I have not talked with the State Department since the day before yesterday so it is subject to check with them.

Q On the silver, anything on that subject as far as this Conference is concerned?

THE PRESIDENT: No, I have not heard a word from the group. I think they saw Secretary Morgenthau day before yesterday. I have not talked with any of them.

Q There has been some talk that an international conference may be called on silver.

THE PRESIDENT: No; have not even got to the discussion stage of that.

Q Have you any message planned to go to Congress in the near future besides that war debt Message and the one on cocoanut oil?

THE PRESIDENT: I do not think so. Yes, I have got another one but I cannot tell you about it yet. I will tell you what it relates to: I might just as well tell you the subject of it -- I might not send it -- but it relates to munitions makers. That is all I can tell you.

Q Mr. President, the announcement that we are going to make a new statement at Geneva undoubtedly is going to arouse widespread interest in Europe.

THE PRESIDENT: I don't think they may have any interest in it at all.

Q They may have new hope. (Laughter)

Q Will this Message you have just mentioned be concerned at all with the report of the War Policies Commission, or the recommendations?

THE PRESIDENT: What is the War Policies Commission?

Q A commission interested in the advisability or possibility of an amendment to the Constitution -- war without profit --

THE PRESIDENT (interposing): I have not thought about that at all. It is germaine but it is not tied in with that particular report.

Q I mentioned that because there was a resolution on munitions makers in it.

THE PRESIDENT: Yes, and then there is the Nye Resolution that want through.

Q Will it have any connection with the Nye Resolution?

THE PRESIDENT: You will have to read it.

Q In connection with the disarmament, will it be a safe guess that it is a restatement of our policy rather than a new statement?

THE PRESIDENT: I guess it would not.

Q You are receiving the Belgian Mission today?

THE PRESIDENT: Yes.

Q Do you expect to take up any international subjects with them?

THE PRESIDENT: No, I do not think so. It is just a formal party.

Q In connection with the housing program, building costs are only nine per cent under 1929 as compared with other costs. Has the Administration planned to compensate for that?

THE PRESIDENT: I think you had better talk to Frank Walker about it because that is one of the things discussed a great deal and undoubtedly some building material costs are too high, without any question.

Q Have you signed the crime bill yet, the new one?

THE PRESIDENT: No, it has not come to me yet. I signed one a couple of days ago. Those passed yesterday have not come in.

Q Thank you, sir.

Q Can you tell us your reactions on the Pennsylvania Primaries?

THE PRESIDENT: No. I will tell you the honest truth, I have been conferring since I started breakfast this morning and I have not even read the morning paper.

(The Press Conference adjourned at 10.55 A. M.)

CONFIDENTIAL
Press Conference #123,
Executive Offices of the White House,
May 18, 1934, 4.25 P. M.

MR. DONALDSON: All in.

THE PRESIDENT: Steve (Mr. Early) and the Attorney General have just put into my mouth the powerful statement on signing the crime bills that you will receive today. I call your attention particularly to the clause that Steve (Mr. Early) did not like but I think is grand:

> (Reading) "Law enforcement and gangster extermination cannot be made completely effective so long as a substantial part of the public looks with tolerance upon known criminals, permits public officers to be corrupted or intimidated by them or applauds efforts to romanticize crime."

I think Steve will remember the fact that he was writing for the papers once. (Laughter)

Q Was that cut out?

THE PRESIDENT: That was off the record. No, I left it in. My remarks are off the record.

Q On the Munitions Message today, any background on that?

THE PRESIDENT: No, except that we want to do everything that we possibly can on that.

Q Does it apply to Paraguay and Bolivia?

THE PRESIDENT: That is a different thing. I cannot talk to you about that yet, except off the record, because here is the story; It only came up just within the past twenty-four hours. We would very much like to stop the shipment of any munitions to either Paraguay or Bolivia but we have treaties with them that go back to 1856 or something like that and to put a resolution through the Senate that would forbid the export would be in violation of those treaties.

You see, they are inland countries and those treaties were made on the basis of their being inland countries and therefore it would not be sufficient for the nations around them to say, "We won't allow shipments to go in", because we have treaties with them that allow goods through by the Rio Plate. The Secretary of State is consulting at the present time -- that is the reason we have to keep it off the record for the moment -- with Key Pittman or the Chairman of the Foreign Affairs Committee in the House, and discussing with them the possibility of a resolution which will authorize me to stop the sale of any munitions destined for them within the United States. In a sense it is getting around those old treaties but we do not want to act in a way that would be definitely violative of those treaties. We want to accomplish the same end and the language is being worked out now.

Q The Senator pointed out this treaty this afternoon.

THE PRESIDENT: On the Chaco thing, don't say anything yet because Cordell will probably tell you when he has talked with Key Pittman.

Q Does the 1925 treaty set up the treaty as you desire, that is to stop the sale by the licensing clause?

THE PRESIDENT: Not if it is in contravention of existing treaties.

Q But if you get the resolution, you can use it in stopping the sale?

THE PRESIDENT: Stop the licensing because it is going out of the country -- I think so. It is so long since I have looked at it.

Q How vital do you consider enactment at this session of amendments to the (Agricultural) Adjustment Act?

THE PRESIDENT: I think they are pretty important. I would like very much to have them go through because those amendments, in principle, not the detailed language but in principle, they make clear certain things in the AAA that are not perfectly clear at the present time. That is the main objective of them (to clarify), where there is doubt. I have got a memo on it somewhere. They relate to the three primary methods of aiding agriculture set up in Section 8 of the Act. One is the licensing authority and, after a year's experience in the administration of the Act, it has become clear that the language used in the original Act is not free from doubt. The proposed amendments make clear the Secretary's authority in this respect beyond doubt. In other words, there was not much question as to the original intent but there was whether the language carried out the original intent.

Q Do you know whether or not the NRA has an regulations in mind for the automotive industry?

THE PRESIDENT: No.

Q To turn back to the Chaco for a moment, stories have already been printed that the United States will stop the sale of American war supplies. Is there any objection to saying such plans are going forward?

THE PRESIDENT: If you do it in very general terms. I don't want to have anything said that would anticipate the conversation between Cordell Hull and the two Chairmen.

Q Mr. President, how about raising the deficit.

THE PRESIDENT: No.

Q The Democratic deficit, I do not mean the Government deficit. Both of them seem very large.

THE PRESIDENT: Both of them the same status as the foreign debts.

Q In that connection, some time ago you indicated you did not want members of the Democratic National Committee to hold other jobs in the Government and Farley, in amplifying the statement, said you were particularly anxious that no Internal Revenue agent should collect campaign funds. In Detroit yesterday some officials of the Packard Motor Car Company made a statement that a member of the Democratic National Committee of Michigan, Mr. Abbott, had asked them for $50,000., $30,000. of which was to go to the Democratic Committee.

THE PRESIDENT: I should say that was highly, highly improper, as you put it.

Q Can that have any effect on the rumor of Abbott's resignation? (Laughter)

THE PRESIDENT: From which, the Democratic National Committee or the Internal Revenue?

Q Either.

THE PRESIDENT: I don't know; I have not heard the rumor.

Q You won't accept funds from large companies?

THE PRESIDENT: Unfortunately we cannot do it under the law. Corporations cannot give. (Laughter) Charlie (Mr. Hurd of the New York Times), you phrased your question all wrong.

Q You answer it your way then.

THE PRESIDENT: You struck out. Sorry.

Q Has an action been taken on the report of the forty per cent horizontal cigarette tax reduction?

THE PRESIDENT: I suppose, when you really come right down to it, it is not proper for me to comment because it is a matter distinctly before the Congress. But I think I can tell you, off the record, just so you know how to write the story, that any tax legislation of any kind at this stage of any session especially where it relates to something that has not been pretty thoroughly discussed beforehand, presents a pretty difficult problem. We have had very little time to discuss new tax legislation and I think Pat Harrison feels that way about it. But don't use me in any way on this; get it from the Hill.

Q Can you tell us your attitude on RFC loans to schools as provided in the Sabath Bill?

THE PRESIDENT: I don't know; there are so many bills on the school question.

Q This would allow up to seventy-five millions of RFC funds to be loaned to school districts. The presumption is that Chicago might get twenty millions of the seventy-five.

THE PRESIDENT: I think that is one of those things we are not going to take any attitude on down here. Jesse Jones is talking officially on the Hill about it. They all have been running up to see me. I think you had better leave it as a matter between Congress and Jesse.

Q London reports that the British Ambassador's visit yesterday was to ascertain or make certain the status or a token payment on the fifteenth.

THE PRESIDENT: That is very interesting.

Q Anything about your talk with the British Ambassador?

THE PRESIDENT: No, I cannot comment at all.

Q Mr. President, is the Ickes oil bill "must" legislation for this session?

THE PRESIDENT: I don't know who invented that term "must legislation." You see, they get the impression up on the Hill that there are certain definite things that have to be done. There has never been any expression out of the White House on that. We are as innocent as a newborn babe. One can express an interest in legislation or a hope that a certain thing would go through, but this word "must" is a terrible word. I would not use "must" to Congress. I never have, have I? (Laughter)

The oil legislation is a little bit like the agricultural legislation. There are certain words, clauses, language in the old Oil Administration law, the section of last year, which are not particularly clear so far as legal purposes are concerned but which are fairly clear as to the original intent of the Congress and the situation arises on the oil question a little bit in this way: that there are some states on the quota basis which have not got any local state laws for enforcing either quota bases or hot oil runs, things of that kind, such, for instance, as California. The intent, of course, was that in those states that the Oil, the Federal Oil Administrator should be able to act in those states to enforce quotas that the large majority had agreed on in the absence of a state law.

Then you come to the second clause, on state taxes, where you have got machinery. There the obvious intention of Congress, I think, last year was that the local machinery should be used for enforcement up to and until such a point as it became clear that the local machinery was not effective, where, in spite of local machinery, large amounts of hot oil were being run over and above a quota. Now, obviously, in a case like that the Federal Government ought to have authority to step in and see to it that the general theory of a quota on hot oil should be enforced.

Now, as I understand it, the purpose of these amendments is to carry out that general principle and they are very desirable in clearing up weaknesses of language.

Q Mr. President, can you tell us who will succeed Harry New as Federal Commissioner of the World's Fair (at Chicago)?

THE PRESIDENT: Is Harry New out?

Q It was announced yesterday.

THE PRESIDENT: I did not know that; I did not even know.

Q I understood he sent his resignation to you this morning.

THE PRESIDENT: I did not know it at all. I don't know who is going in his place.

Q You will have a hard job finding a man for that, won't you?

THE PRESIDENT: By the way, has the Federal appropriation passed yet?

Q I think it has.

Q No, it has not. The Federal Commissioners were supposed to O. K. it this afternoon and it goes to the Federal Budget tomorrow and then, if you O. K. it, it goes to the Appropriations Committee.

THE PRESIDENT: It opens (the Fair) next week, does it not?

Q Yes.

Q This amount of money to be spent on the conservation program immediately, the report of that Committee, I understand you had a conference on it?

THE PRESIDENT: I think we have allocated $5,000,000 to that. Isn't it $5,000,000? I think so. Then, out of the acquisition of submarginal lands, they will get an amount, as yet undetermined, and whether they will get any more out of relief, I do not know yet. It is a little early. Then they will also get an amount of assistance from CCC Camps.

The combination of all these things will give them enough money

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in the course of the coming year to do a pretty good job. It comes from four sources.

Q On the tobacco tax, did your committee make a report?

THE PRESIDENT: Which one?

Q Secretary Wallace and Secretary Morgenthau and Tugwell. They were investigating it.

THE PRESIDENT: Investigating what?

Q The tobacco tax reduction?

THE PRESIDENT: I do not think they did. I think they were to talk it over with the finance chairman. I have not heard from them. But that background I gave you on it is enough.

Q Can you tell us anything on silver?

THE PRESIDENT: Silver? What about it?

Q Will that go up Monday or Tuesday?

THE PRESIDENT: I think a pretty good guess is a Message on silver on Monday.

Q What time are you going down the river?

THE PRESIDENT: Either seven or nine, I don't know which. I have not consulted the White House. I am not the doctor.

(The Press Conference adjourned at 4.33 P. M.)

CONFIDENTIAL
Press Conference #124,
Executive Offices of the White House,
May 23, 1934, 10.40 A. M.

MR. DONALDSON: All in.

THE PRESIDENT: Steve (Mr.Early) suggested that I might give you a general slant on additional messages to the Congress and I have been trying to think over the various ones I have had in the back of my head. I can only think of three that are going to go up. One is -- and you will be pleased to hear it -- the debt message.

Q When?

THE PRESIDENT: Soon. The other is the cocoanut oil message and the third is transmitting the reports that have been made to me pursuant to the resolution, I think it was the McCarran resolution of the Congress in regard to water use. Of course, that will be a fairly broad message. Water use includes so many other things such as soil erosion and forestry and marginal lands and so forth.

(Mr. Early spoke to the President) Steve suggests that is why some people confuse it with the so-called social message. I never mentioned any social message.

Q What is this water thing?

THE PRESIDENT: I cannot remember the wording of it but Congress asked me for a report on the general policy of the Government in relation to all forms of water use which includes the Mississippi channel, the Tennessee, Arkansas, Upper Missouri, Ohio, etc., all rivers. It is broad enough to include other public works such as channel deepening for harbors and of course, as I have said, soil erosion, forestry and marginal lands. It is a tremendously big subject.

Q That is an announcement of policy?

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THE PRESIDENT: Yes, but it will not call for legislation at this time.

Q Will you recommend specific projects in it?

THE PRESIDENT: I think you will have to wait for the message. I think not. It is the huge stack over there (indicating) in the basket and some of the engineering reports have reported on specific projects but this does not recommend any specific projects.

Q Is that the "pay-as-you-use" proposition -- both using rivers and so forth?

THE PRESIDENT: That might be a phase of it. I have not begun to draft it yet. There might be a paragraph on it.

Q Will they go up in the order named?

THE PRESIDENT: I have no idea.

Q Am I to understand that you will not send up a message on social reform?

THE PRESIDENT: Depends on what you call social reform. Isn't water use social reform? (Laughter)

Q Will that include the St. Lawrence?

THE PRESIDENT: It will include everything in the way of a river in the United States, as far as policy goes.

Q Will that tie up with the Sub-Committee of the Cabinet you spoke of some time ago?

THE PRESIDENT: That is the one.

Q In that connection, do you intend sending a Message to Congress which will deal with pending so-called social legislation which, under my understanding, would embrace unemployment insurance and legislation of that type?

Q Old age pension?

THE PRESIDENT: As a separate Message, no. Not as a separate Message. I might say something in other Messages about it.

Q What Messages?

THE PRESIDENT: I might put it in cocoanut oil, you can't tell.

Q Is that an indication of a veto of the proposed bill?

THE PRESIDENT: Of course those are bridges we are coming to.

Q You do not think there will be legislation this session?

THE PRESIDENT: Not on the water (use).

Q What relation would this board have to subsequent things coming before PWA and to flood control projects?

THE PRESIDENT: This is a much broader theme. If you will read the Senate and House Resolution and the Message which is going up, you will see the answer. It does not relate to specific projects.

Q It will not stop PWA from granting special projects?

THE PRESIDENT: That depends entirely on future legislation. You cannot tell. There is no more money for new projects under the old appropriation.

Q Do you anticipate passage of the Wagner National Labor Board Bill at this session?

THE PRESIDENT: I don't know; I really don't know.

Q What about the unemployment insurance?

THE PRESIDENT: That again, I do not know. I have not heard for the last four or five days what the situation is.

Q How about the Pure Food and Drug Bill?

THE PRESIDENT: That I don't know either, except that Senator Copeland mentioned yesterday he hoped to get it through the Senate.

I am sending up a letter today, in fact it has gone up to the Chairman of Mines and Mining, Senator Logan, and Congressman Rayburn of the Interstate and Foreign Commerce Committee, in regard

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to this oil situation, which is just calling their attention to a letter that I had from the Administrator for the Petroleum Industry, the Secretary of the Interior -- Steve (Mr. Early) has copies for you on this -- informing me of the (reading)

> "....... continued daily production of oil in excess of the maximum amount determined on by the Administrator pursuant to authority under the Petroleum Code.
>
> "The Administrator states that the records of the Bureau of Mines during the first three months of this year show a daily average production of "illegal" oil of 149,000 barrels. Technically speaking, this may not all have been "hot" oil, but in a real sense it is, since it is oil produced in excess of the allowable. While the final figures of the Bureau of Mines are not available for the months of April and May, it is unquestionably true that there is growing disregard for production orders issued under the Petroleum Code and that the trend of hot oil produced is upward. For example, it is stated on reliable authority that the daily excess production in the East Texas field alone is running at 60,000 to 75,000 barrels per day. Other estimators say that this figure should be much higher. The Oil and Gas Journal recently estimated that there was illegal production in the country as a whole of 198,475 barrels per day during the week ending May 12th.
>
> "If the principle of prorating production under a code is to be maintained, it seems necessary that the existing law should be strengthened by the passage of the Bill which has been introduced in the Senate by Senator Thomas and in the House by Congressman Disney and supported by the Oil Administrator.
>
> "It is a simple fact that as a result of the work of the Oil Administrator definite progress has been made both in eliminating unfair practices and in raising the price of crude petroleum to a reasonable level, which has brought added employment and more fair wages to those engaged in oil production.
>
> "I am frankly fearful that if the law is not strengthened, illegal production will continue and grow in volume and result in a collapse of the whole structure. This will mean a return to the wretched conditions which existed in the Spring of 1933.
>
> "I hope therefore that the proposed legislation can be enacted. I do not want to see this important American industry reduced to the condition under which it was operating before the Oil Administration started its work."

So that is merely calling their attention up there to what may happen if we do not get additional legislation. Of course, a year ago oil in a good many places was selling at twenty cents a barrel. We know what happened, what the condition of the industry was at that time.

Q Mr. President, has the War Department submitted any recommendation as to the appointment of a Commanding Officer of the National Guard for the District of Columbia, or is that place to be filled by Major General Rekord of Maryland, who was appointed yesterday?

THE PRESIDENT: Count (Rudolph de Zapp), I do not know. I asked somebody to look into that. Will you look into it, Steve (Mr. Early)? Our War Department expert will look into it.

Q How about the appointment of a Judge for the Municipal Court?

THE PRESIDENT: I have not heard from the Attorney General on that. I sent word to him yesterday, asking for it.

Q There is word that Frank Walker is planning to resign in the near future and go back to New York. Anything to tell us about that?

THE PRESIDENT: Frank has been trying to get back to New York for the last six months. I told him to have the summer off and plan to bring him down here in the fall. I need him here in Washington. He said he would have to consult his wife. I told him he might just as well start looking for a house right now.

Q Do you mean that the "consult his wife" is off the record?

THE PRESIDENT: Yes. (Laughter) It is not off the record if you check with him first.

Q Anything on the report of the Darrow Board?

THE PRESIDENT: I have not heard anything more than what I told you about two weeks ago, that Darrow told me he hoped to be able to wind up by the end of May, and that is the last I heard.

Q Do you contemplate any action to deal with the growth of strikes in the country?

THE PRESIDENT: We are doing the best we can; that is about the only answer.

Q Can you make any comment on the resignation of Mr. Abbott of Detroit?

THE PRESIDENT: No, except that I knew about it just about the same time that it was announced over at the Treasury Department, and not until then.

Q That place will have to be filled before Congress adjourns?

THE PRESIDENT: Not necessarily.

Q Isn't there a rule that you cannot make a recess appointment with respect to a position vacant during Congress?

THE PRESIDENT: You can make a recess appointment, but the fellow takes a chance of drawing his pay later on. There will probably be a good many appointments of that kind.

Q He (Abbott) is of the Democratic Committee?

THE PRESIDENT: I do not know.

Q Can I go back to this Darrow matter?

THE PRESIDENT: I do not know if it was the end of May, but I told you about it about two weeks ago.

Q More recently he said that now they have hearings scheduled to later than the last of May. Would you have any comment on that?

THE PRESIDENT: Not a thing.

Q Would you care to comment on the Darrow Report?

THE PRESIDENT: Res ipsa loquitur.

Q Say it again.

THE PRESIDENT: I doubt if even the A. P. would carry that.

Q I don't know; we might interpret it.

Q Did General Johnson speak to you in that connection? (Laughter)

Q Do you contemplate any changes in NRA policy re small business after Congress adjourns?

THE PRESIDENT: Oh, there will probably be weekly changes as there have been in the past -- constant changes.

Q You said you were referring that report to the Trade Commission (Federal Trade Commission) and the Department of Justice. General Johnson said that Chairman Ferguson and the Attorney General were to meet as a committee. Can you tell us anything as to getting action from the other two departments?

THE PRESIDENT: I do not know. I sent the report to all three of them. I do not know what happened.

Q Have you done anything to expedite action on grazing legislation this session?

THE PRESIDENT: I talked to some of the grazing Senators yesterday. (Laughter)

Q Is that off the record, Mr. President?

THE PRESIDENT: I suppose that ought to be off the record. (Laughter) Ruby Black shakes her head; she wants it on the record. You cannot get the consent of the Senators and it is all right.

I would like to see action on the bill this session. Their objection to the bill, as was proposed by the Interior Department and the Department of Agriculture, was that in certain cases, as I understand it, there is the summer range up in the National Forest for one man's bunch of cattle and then winter range down in the public domain, and that the owner of that bunch of cattle has to go to two different departments. What these Senators are afraid of is that they would be thrown out of the forest reserve on a given date and the public domain would not be open to them until a couple of weeks later, and the unfortunate cattle would have nowhere to go. What I talked over was the definite coordination on the issuing of permits between the Forestry and the Public Domain so they can go to one place and one man and get a permit covering both pieces of territory.

Q Do you think the war debts Message will be up today or tomorrow?

THE PRESIDENT: No; it has not been written.

Q Should the Darrow Board find it necessary to go on until after the end of May, would you interpose an objection?

THE PRESIDENT: I have not the faintest idea.

Q There is a report that you are going to draft Owen D. Young and bring him down here to reorganize the NRA?

THE PRESIDENT: That sounds like a New York report.

Q That is too bad. (Laughter)

(The Press Conference adjourned at 10.55 A. M.)

CONFIDENTIAL
Press Conference #125,
Executive Offices of the White House,
May 25, 1934, 4.15 P. M.

Q How do you do, Mr. President? We had a nice time at your party.

THE PRESIDENT: Did everybody survive?

Q Yes, we all succeeded in pulling through. Still an old football player. That forward pass!

MR. DONALDSON: All in.

THE PRESIDENT: What is the news?

Q That is what we want to know.

THE PRESIDENT: I almost called the Conference off; I haven't any.

Q Let us make some.

Q Mr. President, the French Ambassador told us that he touched lightly on the debts, that is, during his visit. Will you tell us how lightly he touched?

THE PRESIDENT: Very lightly.

Q Anything further?

Q Did you only touch lightly on it also?

THE PRESIDENT: Yes, very lightly. What the French call "l'aisement."

Q Mr. President, anything you care to say about the strike situation?

THE PRESIDENT: I don't think so. I think I had better not. It is awfully difficult to say anything without going into details and differentiations. I think it is probably better I should not. We are all working on it, as you know.

Q You still need legislation of the type of the Wagner bill dealing with this?

THE PRESIDENT: It would be very helpful. There is no question about it

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but it would be very helpful because it would clarify administrative procedure and at the same time would create methods that were perfectly clear under the law. In the individual strike cases people would know on both sides exactly the procedure, who they come under and to whom they go and what authority there is in any given case.

Q Is it fair to assume, then, that you want this legislation this Session?

THE PRESIDENT: I would like to have it very much. I think it would be helpful. I think you had better put this off the record.

Q What you are saying now?

THE PRESIDENT: Yes, what I am saying now. It would be perfectly all right to say I am in favor of this legislation and hope it will go through but, off the record, you all know that in any period of this kind you are bound to have, with a return of prosperity and a return of reemployment and an increase in values, more strikes. I look for a great many strikes in the course of this Summer, a good many more. It is a normal and logical thing. I think I have said this before at a strike conference. They are brought about by a great many causes. For instance, keeping this again entirely off the record, in this Toledo case, the strike originated with only 400 employees in one factory but there are a lot of other factors involved. They had pretty serious political trouble where a lot of graft and misgovernment, etc., was shown in the city. The result was that the population as a whole got sore. It wasn't just these 400 men.

Yesterday, when this crowd of between 5,000 and 10,000 people started, they were, as a body, sore at certain definite people. As they got along, throwing stones, they would throw stones at one particular factory or shop and then they would go along past several other factories or shops they were not sore at and then they would pick out the next fellow at whom they were sore.

Charlie Taft telephoned to Miss Perkins about two hours ago and made the point that it is not an indiscriminatory strike, it is a strike against people they are sore at and it is not just the 400 strikers, it is a very large element of the population.

So each case really has to be taken up on the merits of that particular, individual case. There is no general statement that can be made relating to it. Miss Perkins used a parallel which, of course, has got to be entirely off the record. She said in conference today that it is not a general revolutionary feeling but a feeling against certain old-line politicians and a feeling against certain industrialists. It is a pretty discriminating opposition. It is based on reason of some kind.

In the Toledo situation, of course, the one thing that all of us ought to appreciate and write about is that there are methods of settlement and that the attitude of employers in many cases has been so autocratic. Take, for instance, the man in one of the papers this morning who said that he would consider that he was demeaning himself if he sat in the same room with William Green. Now that kind of autocratic attitude on the part of a steel company official does not make for working things out. On the other hand, there are people on the other end of the camp, the labor end, who are just as autocratic.

Q One objection raised to the Wagner Bill is that they have a local board out there that is getting along pretty good and they thought that the action of the new board would largely destroy the authority of the men working out there.

THE PRESIDENT: I think under the Act this particular board would keep on functioning.

Q Have you had any report from the Williams Board as to what they have accomplished?

THE PRESIDENT: I think I have one or two of the members next week to talk to me.

Q Will that be your first report from them?

THE PRESIDENT: I have not had merely the one report. Williams was here nearly three weeks ago and we went into it for half an hour.

Q You say you are working on this strike. Can you tell us what the Federal Government can do or is doing?

THE PRESIDENT: Well, we have our staff out there acting as mediator for the Department of Labor.

Q Have they given any late reports?

THE PRESIDENT: No, not since the telephone (call).

Q Is this Taft report out?

THE PRESIDENT: No, it has not got to the making of a report stage.

Q Have you reached a definite decision as to whether you want the licensing power under the Recovery Act extended?

THE PRESIDENT: I have not talked to anybody about it; have not mentioned it.

Q Mr. President, did you make any statements concerning American naval policy in view of the preliminary talks in London?

THE PRESIDENT: No. Anything that comes out will come out from the State Department.

Q Have you signed the Japan Resolution as yet?

THE PRESIDENT: It has not come down yet.

Q Not down yet?

THE PRESIDENT: Not down yet.

Q Is the debt Message going up next week?

THE PRESIDENT: I hope so. It is not written yet.

Q The licensing provision of the NRA seems about to lapse and at the same time the proposal is to strengthen the licensing provisions of the AAA under the new bill?

THE PRESIDENT: It is not necessarily inconsistent.

Q I know, but what is the reason for the difference?

THE PRESIDENT: I do not know enough about it to answer the question fully.

Q But there is a difference there, isn't there?

THE PRESIDENT: Yes. I do not know enough about the details, frankly.

Q What is your attitude on the Costigan-Wagner Anti-Lynching Bill?

THE PRESIDENT: It is a terribly difficult subject. I have been talking about the theory of it with Costigan and Bob (Wagner) and various other people for quite a long while. I don't think I had better give you an attitude because I frankly haven't got sufficient clarity in my own mind as to whether that particular method will work and also as to the constitutionality of it. I think there is a question. I am absolutely for the objective but am not clear in my own mind as to whether that is absolutely the right way to attain the objective. However, I told them to go ahead and try to get a vote on it. It would be a useful thing to try to get a vote on it in the Senate.

Q With reference to Chaco, now that you have the authority, do you intend to use the authority to prohibit the shipments (of arms, etc.,) immediately, or wait for the League of Nations?

THE PRESIDENT: I haven't any idea at all. It depends on what Secretary

Hull says.

Q Any new developments in the Russian credit and trade situation?

THE PRESIDENT: I have not heard a word. I don't think there has been anything.

Q Have you had an opportunity to study the banking and insurance bill passed by the House?

THE PRESIDENT: No, I have not even seen it.

Q What was the idea of dressing up on us last night? (Laughter)

THE PRESIDENT: I will tell you off the record. There was a dispute as to what I should wear with the Missus, and my wife was wrong. (Laughter) There is one case where I was right. It won't happen in another year.

Q Have you heard from the Cabinet Committee on the railroad study they are supposed to make as yet?

THE PRESIDENT: No; I do not believe they will report for some time.

Q Thank you. We are sorry there isn't any more excitement today.

(The Press Conference adjourned at 4.25 P. M)

CONFIDENTIAL
Press Conference #126,
Executive Offices of the White House,
May 30, 1934, 10.45 A. M.

THE PRESIDENT: You are not going to Gettysburg?

Q (Mr. Young) I am sorry, I am not.

Q Is that a new suit?

THE PRESIDENT: Yes. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news and it is a rather horrid (referring to the weather) morning. The Secretary of State is coming in at eleven o'clock and I am going to talk debt Message and it is nearer to going up than it was last week. In other words, I do not know about the actual date yet. It may be Friday. Everything from now on is in a sort of a moveable phase, including the trip through the (Panama) Canal; that has been moveable right along. I do not know where I am going. Nothing has ever been said on definite dates and locations. You can't tell. I might not go until the beginning of July. It is perfectly moveable.

Q That late?

THE PRESIDENT: Possibly; cannot tell.

Q Any hope of California?

THE PRESIDENT: I do not think so. There are so many Californians. (Laughter)

Q Are you going to Hawaii?

THE PRESIDENT: Oh, I hope so.

Q Are you still going to Puerto Rico?

THE PRESIDENT: Yes, that is sure.

Q Mr. President, there was a report in the morning paper that Harry Hopkins would be selected to head the housing activities.

THE PRESIDENT: I haven't any more idea than I had when the bill went in. Of course we still want the bill very, very much.

Q At this session?

THE PRESIDENT: Very much.

Q And the Wagner Bill also?

THE PRESIDENT: Yes.

Q Will the Steel Code be ready today?

THE PRESIDENT: Yes. They are bringing it in at 11.30. I have to go over one or two clauses in it before I actually decide on it. I have until tomorrow night but I hope it will be in shape so I can sign it before I go away.

Q I notice in the morning papers that the two French flyers are coming down.

THE PRESIDENT: 11.30, also.

Q Are they bringing the Steel Code? (Laughter)

THE PRESIDENT: Yes, we are pressing everybody into service.

Q Do you still stand pat in your decision not to have a general conference for debts with all debtor nations?

THE PRESIDENT: Somebody suggested that was the policy of the Hoover Administration, also this Administration. (Laughter)

Q Any Message requiring legislation?

THE PRESIDENT: No. I think you can all guess on that fairly well.

Q There is a report from London that the British are making an offer on debts. Have you received it yet?

THE PRESIDENT: No.

Q Provided there is a general conference --

Q (interposing) Has any nation indicated their intention about the June fifteenth installment?

THE PRESIDENT: Not so far as I know, unless something came in the State Department yesterday.

Q Mr. President, do you care to comment on the court decision in the Weirton case?

THE PRESIDENT: No, I have not read it so I cannot comment on it. I have only seen the excerpt.

Q Any background on what is going on on the labor front?

THE PRESIDENT: I don't think any more than what I said last week. All these various strikes and threats of strikes in various places, we hope we will be able to iron out as many as we possibly can. Of course we have ironed out a large number. I suppose you saw that report of the Department of Labor showing a large number of strikes but showing a small number of working hours cut out? That is pretty significant. In other words, mediation has been more successful than at any time in the past. The length of time they stayed out has been distinctly shortened in a great majority of cases and, of course, it is the total number of hours out that count rather than the actual number of walkouts.

Q Can you tell us about any of the appointments to the Power Commission or the RFC?

THE PRESIDENT: No. I am going to try to do that on the train going and coming during the next three days, all the various appointments.

Q Does that include the local appointments?

THE PRESIDENT: Right. But, Count (Rudolph de Zapp), I won't release anything until I get back.

Q The two vacancies on the Mediation Board have been taken care of?

THE PRESIDENT: Yes.

Q Are they going to be filled?

THE PRESIDENT: That is something I have to go over.

Q When do you intend to make the appointment of Chief of Staff?

THE PRESIDENT: I have not seen it.

Q In connection with the debts, does the fact that you aren't going to ask any legislation mean that the new agreement with Finland is going to be postponed?

THE PRESIDENT: I do not know; I have not taken it up at all.

Q Can you tell us something about the sugar quotas for the Islands?

THE PRESIDENT: Sugar quotas are going to be announced -- I think it is tomorrow. We decided on them yesterday. I guess I had better not anticipate the story which you will get tomorrow. I can tell you off the record, subject to the announcement that the Department of Agriculture will make, that we have had, of course, this shortage in allotments to divide around, which amounts to a hundred thousand tons, because the Congress supplied us with an extra one hundred thousand tons for the beet sugar people. That means that based on the same estimates of consumption, I have got to divide that one hundred thousand tons around among Puerto Rico, the Philippines, Hawaii, and that is an awful thing to do because it has got to be done on some concrete basis of previous production, and it will work a hardship on all of those countries. On the other hand, there is a distinct hope that during the course of this sugar season we can give larger quotas to all of those five outside places, outside the Continental limits, because of the reduction in the actual beet sugar crop in this country. Because of the drought there has been quite a shortage. It does not run as high as fifty per cent, as some of the people in Utah and Idaho and Wyoming claim, but it is a little bit early for us to make a definite estimate. It will probably be short of the 1,550,000 tons allocated and the amount of that shortage -- my general thought in talking with Agriculture yesterday was that we could divide that shortage and apply half of it to a reduction of the carryover, which would be a good thing, and the other half of it to increased allocations to Hawaii, Puerto Rico, etc. So the point I think you can make is that these allotments that will come out tomorrow are not necessarily final, that they are minimum, and that we hope to be able to increase them.

Q You said this is off the record?

THE PRESIDENT: I think you had better hold it until the statement comes out tomorrow. I would rather have it break from the Department of Agriculture; they have all the figures.

Q Have you had an opportunity to read Litvinov's proposal at Geneva for the establishment of a permanent security organization to which the nations --

THE PRESIDENT (interposing): Only the headlines; we have not had the text of it yet.

Q We cannot induce you to comment on it?

THE PRESIDENT: No.

Q In connection with the debts, there seems to be an impression in Great Britain and also in France that if their Governments come forward with substantial token payments, some way may be found to dodge the Johnson Act?

THE PRESIDENT: That is hard to talk about until we have the whole proposition, because any proposition would have to be referred to the Attorney General if it related to the Johnson Act.

Q Thank you, Mr. President.

THE PRESIDENT: I will be back Monday morning.

CONFIDENTIAL
Press Conference #127,
Aboard the Presidential Special Train
at Worcester, Massachusetts,
June 1, 1934.

THE PRESIDENT: Look who we have here! What do you know?

Q We are looking for a story, Mr. President.

THE PRESIDENT: My story would not even pay your expenses.

Q Not here -- here we need an overcoat.

THE PRESIDENT: Everything is all quiet. I will have a few things for you tomorrow night.

Q Will the debt Message go down today?

(The President did not hear the question.)

Q Any chance of the war debts Message going down?

THE PRESIDENT: It is a very good story. Whenever they meet, both Houses.

Q It has been completed?

THE PRESIDENT: Oh, yes.

Q What did you think of that full-bearded sailor (at the Fleet Review)?

THE PRESIDENT: No, I did not see him.

Q He looked exactly like the advertisement for cigarettes.

Q How did you like the Review?

THE PRESIDENT: It was grand.

What are we going to do about the scoop the photographers made? Mac (Mr. McIntyre) is terribly upset. They dropped plates overboard into a speedboat.

Q Oh, yes; I saw that. (Laughter)

THE PRESIDENT: Mac did not sleep all night. We sent the others up (to New York) with a destroyer or 32-footer.

Q Still too late?

THE PRESIDENT: Still too late.

Q Smart boys.

THE PRESIDENT: You know what I said at Gettysburg?

Q Chiselers?

THE PRESIDENT: Yes. (Laughter)

Q Will you meet us here at the train tonight?

THE PRESIDENT: I will get back when things are through (at Groton).

Q Have you received any word about this textile strike?

THE PRESIDENT: Not a word.

Groton at 11.00, class exercises, luncheon at 1.00 and then after that, I may take a little drive and go down to the river and watch the Crew. I cannot tell just what I will do.

Q Thank you, Mr. President.

THE PRESIDENT: Well, have a good day.

CONFIDENTIAL
Press Conference #128,
Executive Offices of the White House,
June 6, 1934, 10.45 A. M.

Q How about the District?

THE PRESIDENT: I haven't a thing but I expect to have something by tomorrow on judgeships -- I hope so.

MR. DONALDSON: All in.

THE PRESIDENT: I would be very grateful if you would include in your stories this afternoon and tomorrow the announcement that the Corporate Bankruptcy Bill is going to be signed actually on the dot of noon tomorrow. There are reasons why it should be known beforehand that it is going to be signed at a specific time on account of applications by corporations, etc., to various courts. If it is given out ahead of time it prevents any one corporation from getting ahead of any other corporation. So, at 12 noon tomorrow, on the dot, it will be actually signed and will become a law.

Q Are there any large companies among those?

THE PRESIDENT: I haven't any idea. It is a legal technicality but it is to prevent anybody from getting an advantage over anybody else.

Mac (Mr. McIntyre) says it is all right for me to read to you -- I do not know whether it should be off the record or not -- the following telegram which Mac received this morning:

> (Reading) "Marvin McIntyre, Secretary to President, White House, Washington, D. C. Just received telegram from friend on Yale varsity who says that David Livingston rowing number four on junior varsity cannot go to New London to race against Harvard because of ROTC Engineering Camp. Apparently no Senators have been able to excuse him and they wish father to intervene as soon as possible if anything can be done. See you at the races I hope.
>
> Franklin Roosevelt, Jr."

So this unfortunate fellow, apparently having failed through Senatorial influence to get anywheres, it at last reaches the White House.

Q Are you going to let him go?

THE PRESIDENT: I have turned it over to Steve (Mr. Early), who is very high in the War Department, as you know, to let Steve see what he can do.

Q Do you mind if we use this?

THE PRESIDENT: I think you can use it, if you want. It is rather amusing, especially about the Senators. It would be awful if Steve didn't get the poor fellow off. (Laughter)

I don't think there is any particular news. The drought message, you all know about that. There has been nothing since yesterday morning's conference. I think, just for your information, I might explain one thing to you and that is what I said to the Senators and Congressmen yesterday. Of course, in a very real sense, this is more than a drought. It comes pretty close to reaching the proportions of a disaster because of the number of people affected and affected in a way which -- well, the burning of a great city might affect just as many individuals but on the other hand, work, if a city burns up, is immediately available and it is a great deal of work to clear the ruins. These poor people on these farms have no work available for them and in a large portion of this area, even if it rains from now on, there will be a great many thousands of families who won't be able to raise anything out of the ground or keep the cattle going. In other words, they won't be able to sustain themselves until 1935.

As far as the money end of it is concerned, I said to the people from the Hill yesterday morning, "Of course, the Government has to take care of a disaster of that size." We have two ways of going about it. One is to use the authority to switch funds, which is in the Appropriations Bill. In other words, without asking for any more money by direct appropriation, we probably could have taken the amount, somewhere around half a billion dollars -- we don't know the exact amount yet, out of RFC because RFC, under the law, has the authority to raise the money itself. In other words, it is totally available and we could transfer it to relief purposes. But the more I thought it over the more I thought that RFC was frankly organized for a rather different purpose and it would be a much cleaner and honest thing to do to make a straight appropriation. Actually, of course, the amount of money which it obligates the Treasury to pay is exactly the same. If we took it out of RFC it would be disguised whereas, in this way, it appears in the open and it is much better to do it in the open. The total amount of the Government debt under either method would be exactly the same.

I don't know yet whether I will send the message up today or wait a few days for further information and we don't know yet whether it will be a separate bill or whether it will be put on as an amendment to the existing Deficiency Appropriation Bill. You will probably know that in the next twenty-four hours.

Q This won't increase the spending program?

THE PRESIDENT: Oh, my, yes.

Q It will be besides the budget, in other words?

THE PRESIDENT: It will be in addition to the budget, no question of that.

Of course the budget was done when nobody had any idea that this major catastrophe was going to happen. If it came out of RFC borrowing power it would appear in expenditures and not in appropriations. This way it appears in both expenditures and appropriations.

Q You won't have a balanced budget in 1936 then?

THE PRESIDENT: Let us cross that bridge when we come to it. If it is not balanced, then it will be balanced by an amount necessary to take care of an unforeseeable major calamity. Therefore, in writing the story, I think you should write the whole story, not just a lead saying that a balanced budget is overboard.

Q Can you tell us anything about the conference of the automobile men on the Wagner Bill yesterday?

THE PRESIDENT: We didn't talk about the Wagner Bill especially, we talked about the general subject. They thought things were working out pretty well in their industry.

Q They seemed to think that the Wagner Bill had upset their Labor Board out there.

THE PRESIDENT: Well, that is a question about which I don't know.

Q Is there anything on the legislative situation?

THE PRESIDENT: No, I don't think I had better discuss the individual bills up there because, after all, the thing is up there. All of these various bills are up there and the leaders are doing their best to get as much through as they can. I don't want, at this particular time, to label bills in classes A, B or C because the situation changes from hour to hour and primarily, at the present time, it is the responsibility of Congress.

The only thing I have sent up is that message, to which I don't think there will be any opposition, about turning over some second-hand rifles and a few old shacks down in Haiti but I sent up word that if there is any opposition to that great act of generosity on our part, not to hold up the Session on account of that.

Q Could I go back for a moment to the drought situation? Are there any estimates of the number of people affected?

THE PRESIDENT: At the present time, in the emergency drought areas -- in other words, the ones that are marked red on the chart, on the map -- there are probably 125,000 families.

Then, in the blue area, from which we are taking a certain number of counties almost every day and adding them to the red area because it is getting worse, that blue area covers such a very large territory that I don't think we have made any check-up on the number of families. Of course, the blue area has a bit of hope of being able to raise some supplies the balance of the season.

Another thing that is tremendously important -- I have spoken about it before but in spite of that there have been some stories -- there is no danger of human famine. Let us get that and repeat it and repeat it. I am going to repeat it this week again and again until I go away. There is no danger of human famine.

There will be probably several million head of cattle which have got to the point where it is cheaper to kill them and can them than it is to try to bring food in from long distances, especially because of the fact that in a great many areas there is not enough water for those cattle and it is almost impossible to bring water in by rail. But there is no danger of human famine. There is plenty of carryover.

Q Mr. President, with reference to that report you sent up the day before yesterday, concerning the survey of the drainage areas of the United States, I notice the one dealing with the Great Lakes presupposes the building of the St. Lawrence Seaway. Anything you can tell us about that? Are they going to negotiate a new treaty or anything of that sort during recess?

THE PRESIDENT: All I can tell you is off the record on the St. Lawrence. It has got to be off the record because I have not done anything on it. During the course of the summer probably I will be in touch with the Canadian Government and also with our own people in the Senate here and see what we can do. The only thing we have to bear in mind, very firmly, is that we haven't by any means abandoned the St. Lawrence Seaway. We are going ahead with it but as to the time and method, as to whether there will be any amendments to the Treaty, I cannot say, because I have not taken it up.

Q Can you tell us anything about the application of Chemical Foundation for funds to develop pine pulp paper in Georgia?

THE PRESIDENT: I haven't heard. Was it applied for?

Q Dr. Ezekiel made a rather adverse report on it when it was referred to the Agricultural Department.

THE PRESIDENT: I did not know it was referred. What was the name of my friend down there?

Q Dr. Herty.

THE PRESIDENT: All I have seen was a delightful pamphlet telling about the experiments but, as I remember it, that pamphlet gave the suggestion that there ought to be another year or two before going ahead on a large commercial basis.

Q I understand they are asking $4,000,000. to develop it, that is, to produce commercial paper in a limited way?

THE PRESIDENT: I do not believe that Public Works funds can be used for purely development experiments. I rather doubt it. If they had something that was practical, something to go ahead with, it would be a bit different, but I don't think they are ready to go ahead on a commercial sized plant.

Q That is one point that Dr. Ezekiel raised.

THE PRESIDENT: I am tremendously keen about the thing. Herty has been down to the Springs (Warm Springs) and talked to me about it.

Q It was announced that Robinson (Senator Joe Robinson) and McNary (Senator McNary) would come up and see you sometime relative to the legislative program. Is there anything on that?

THE PRESIDENT (turning to Mr. McIntyre): You have not heard anything?

MR. McINTYRE: No, sir.

Q Have you anything on the threatened steel strike?

THE PRESIDENT: Nothing, except that Hugh Johnson told me yesterday he was still negotiating.

Q Have you had a report from the West Coast, from Mr. McGrady (Assistant Secretary of Labor McGrady) in connection with a dock workers' strike out there?

THE PRESIDENT: No, the only thing I got was that Miss Perkins showed me yesterday a telegram which sounded a bit hopeful, but I think you will have to get it from her. It looked like better news than we had yesterday morning.

Q When you sign the Stock Market Bill, will you be ready to announce the membership of the Commission?

THE PRESIDENT: No, sir. It really is true that I have given absolutely no consideration to it. I suppose I have had fifty or a hundred names submitted and I put them all into a folder and I suppose I will dig it out after Congress goes home. But I really have not thought about it, despite the fact that New York has announced the membership.

Q Anything in the report that Senator Blaine is going to be selected to the RFC before Congress goes home?

THE PRESIDENT: Yes -- wait a minute -- I haven't got anybody yet, but I am going to send up a name for the Federal Power Commission today.

Q In spite of the fact that we have repeatedly told Great Britain that we are willing to listen, they insist that it is up to us to make the first move?

THE PRESIDENT: I think the only thing to do is to read the Message I sent to the Congress.

Q Is it likely you will have any time to receive any European debt missions before you leave?

THE PRESIDENT: Are any coming over? They will have to hurry.

Q Thank you, Mr. President.

Q Can you mention the name of the appointee to the Federal Power Commission?

THE PRESIDENT: Just as soon as it comes up.

Steve (Mr. Early) suggests if you want to write that St. Lawrence story on your own responsibility, it is all right.

Q In connection with that watershed report?

THE PRESIDENT: Yes.

Q Has anything definite been settled on the drought area, the section that is suffering?

THE PRESIDENT: The only way I can answer that is this way: I do not know yet how much free money we will have in Public Works in the coming fiscal year and how much will be necessary to carry on existing projects like the Upper Mississippi and Fort Peck, et cetera. We have not yet discussed how much balance there will be for new projects, but undoubtedly if some of those Upper Missouri projects look pretty good and do not cost very much and will help in this drought area, we may spend some of the Public Works money on that, but we have not got to the point of any decision.

Q I understand you have been conferring with some of the Naval officers about the forthcoming talks in London. Can you give us any intimation of what the attitude of the United States will be?

THE PRESIDENT: The only thing is that some officers are going over very shortly for preliminary conversations. That is all. We won't have any announcement to make at all as to what the policy is. It will probably come out of London, not here.

Q Who is going over?

THE PRESIDENT: Admiral Leahy -- ask the State Department if there is any reason why the personnel, as to who is going over, should not be --

Q (interposing) It has been made public.

Q Are we going to have any platform?

THE PRESIDENT: No, just conversations. (Laughter)

Q What are the chances on (visiting) Green Bay (Wisconsin)?

THE PRESIDENT: I hope to get there but it is not definite.

Q Will there be any chance of going anywhere else in the State (of Wisconsin)?

THE PRESIDENT: No. I hope to do it just at the end of July.

CONFIDENTIAL
Press Conference #129,
Executive Offices of the White House,
June 8, 1934, 4.00 P. M.

THE PRESIDENT: Remember that white clothes are much cheaper in Puerto Rico and Panama than here.

Q We will remember that, Mr. President.

Q We will need them much more there than here.

Q I think it will be cheaper for us to buy a couple of suits of dungarees before we leave.

THE PRESIDENT: They are supplied free of charge by the Navy.

Q You have to pay for them.

THE PRESIDENT: You do? I did not know that.

Q You can put it on the expense account. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news except I suggested to The Three Musketeers that white suits are cheaper in Puerto Rico and Panama than here.

Q That suits us.

Q We will travel light, then, until we get there.

Q We may send some back, duty free, for those that don't go.

THE PRESIDENT: I should think so; they are going to charge them to the expense account.

Q Have you any comment to make on the selection of Fletcher as the new Republican leader?

THE PRESIDENT: No comment on the record but off the record entirely I can repeat to you what I said to Steve (Mr. Early) about it. I said, "De mortuis nil nisi bonum." (Laughter)

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Q I think it is safe to put that on the record.

THE PRESIDENT: Steve (Mr. Early) said, "Is that a compliment or not?" (Laughter)

I do not think there is any particular news.

Q What did you really say there?

THE PRESIDENT: I will tell you about the middle of the Pacific Ocean. (Laughter)

Q In the Message you say you hope to present a plan to the next Congress. That means you will have a commission to study the problem during the summer months?

THE PRESIDENT: I do not know that I will dignify it by the name of a commission. I will do most of the work myself on it. I have nothing to do this summer. In other words, I will have quite a lot of conferences with the War Department, the Reclamation Service, etc, and it may develop into some kind of a reviewing commission. I will will handle most of it myself. That is, the land and water, the big drought thing.

Q When do you sign the Tariff Bill?

THE PRESIDENT: I do not think until Monday because there is some kind of complication about the sugar allotments. They want to get that out of the way first. I approved that today.

Q Mr. President, is there anything you can tell us further about the steel situation? Did you discuss it with Miss Perkins today?

THE PRESIDENT: The only thing I know is what came out on the ticker (the United Press ticker in Mr. Early's room) about three or five minutes ago. They announced something. I have not heard since then.

Q When will you sign the Air Mail Bill?

THE PRESIDENT: That has not come down yet.

Q Mr. President, did you get a protest from Senator George and others about the attitude of Dr. Ezekiel toward the Chemical Foundation's application for money to develop wood pulp paper in Georgia?

THE PRESIDENT: Oh, yes; I do not know whether you could call it a protest or not because I have not seen what Dr. Ezekiel said. Anyway, I wrote a letter on it to somebody, saying I was very much interested in wood pulp made from yellow pine.

Q Can we have a copy of it?

THE PRESIDENT: I think it has to be released down there.

MR. EARLY: You remember the statement you made about the forest conservation. That was announced earlier.

THE PRESIDENT: You did that?

MR. EARLY: Yes, sir.

THE PRESIDENT: Steve (Mr. Early) handed out something earlier that took care of it.

Q I thought what they objected to was that the Chemical Foundation was raising the point that seventy per cent of the paper stock was imported and Dr. Ezekiel said it was not altogether an evil, that the foreign countries used that money to buy American exports, and they construed it as throwing cold water on this application.

THE PRESIDENT: I do not know what he said but of course the real answer is this: that to make pulp as a general proposition out of an American wood supplied in the North, that supply of wood is decreasing at such a fast rate already that there won't be any woods left. It is obviously the economic thing to do if we can use this yellow scratch pine in the South, which is not being used for anything else, to make paper. That will be all to the good, as long as we replace it as fast as we cut it. That is the catch to it.

Q Would you care to say anything about the luncheon today with the Japanese Prince?

THE PRESIDENT: Just a luncheon of courtesy and a visit of courtesy. Very nice time.

Q Nothing political?

THE PRESIDENT: No.

Q Did the Labor Board Bill go through?

THE PRESIDENT: I do not know.

Q Is the Ickes Oil Control Bill as necessary as it was two weeks ago?

THE PRESIDENT: I have complete ignorance on the subject.

Q I thought perhaps you might know.

THE PRESIDENT: I have not heard what is happening in Congress since the Vice President got here at 2.00 o'clock.

Q That is a long while ago. (Laughter)

Q I understood you to say that the Wagner Bill was not slated to go through?

THE PRESIDENT: I have not heard anything about it since 2.00 o'clock.

Q Anything about Harry Newton as a member of the Federal Home Loan Board?

THE PRESIDENT: No; I do not think his time is up until July twenty-first. I have not done anything about it.

Q Any Tariff Commission appointments in mind?

THE PRESIDENT: No. Frankly, on the Tariff Commission, until I have had a chance to have a general talk about it, I do not know whether I am going to fill those two vacancies or not. The thought, as I think I told you all about six months ago, is that four people on the Tariff Commission may not be necessary. I have not discussed the

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details of it since then. I suppose, after the Tariff Bill is signed and Congress goes home we will have a general conference on the tariff situation with this Interdepartmental Foreign Trade Committee that is operating and the Tariff Commission to determine whether we should fill those two vacancies or not.

Q There is a third vacancy coming up this month, isn't there?

THE PRESIDENT: I did not know that; who is it?

Q Dr. Porter.

THE PRESIDENT: I did not know that.

Q How about the RFC appointment?

THE PRESIDENT: RFC? No. I hope soon.

Q Mr. President, have you had any personal part recently in the trade and credit discussions with the Russian people?

THE PRESIDENT: I have not heard a word on it for a couple of weeks.

Q On the tariff, how soon do you think you can get any actual bargaining on that under this new Bill?

THE PRESIDENT: I think you will have to ask the State Department for details. As I understand it, they have got at least half a dozen nations that they are holding preliminary discussions with already.

Q Mr. President, in view of the fact that an agreement has been reached on the Communications Bill in conference, is there anything you can tell us with reference to the plans in reference to that Commission?

THE PRESIDENT: No, I have not even thought about who is to go on it. Do you happen to know whether that goes into effect immediately or does it go into effect --

Q (interposing) July first.

THE PRESIDENT: July first? Then I won't think about it until after Congress goes home. I am putting off everything I can until Congress goes home.

Q Do you think they will go?

THE PRESIDENT: Oh, I think so.

Q Do you plan to put the Housing Bill through?

THE PRESIDENT: I think so, very much. That is an essential thing.

Q What instructions are our delegates carrying to London with respect to this conference preliminary to the Naval Conference?

THE PRESIDENT: That will break from London rather than from here.

Q Will there be any surprises?

THE PRESIDENT: I do not know.

Q Are you going to allow your secretary (Mr. Early) to go through with that golf match?

Q He ought to give Lew Douglas some ideas.

THE PRESIDENT: There is a catch. Lew Douglas is to keep score so Steve (Mr. Early) is perfectly safe. It will be a low score.

Q Any further reports from the drought area?

THE PRESIDENT: No. Acting Secretary Tugwell gave us a very interesting picture of it in the Cabinet meeting. Of course a great many people are going to be affected who are not on farms. That will be one reason why this Bill that goes in tomorrow is going to carry the provision for putting on relief the people in cities who are thrown out of work because of lack of cattle and wheat coming into the cities. The preliminary, tentative estimate for that is about fifty million dollars more which is to take care of city people thrown out of work. The general thought, in taking care of these drought areas, is that we are doing everything possible to get people to plant, trying to get seed to them, to plant any kind of a crop that has a chance of growing from now on. Of course in certain areas you can plant -- if we get a good deal of rain -- you can plant certain crops up to the first or tenth of July and they will mature sufficiently to take care of the soil, the ground, and provide a certain amount of forage. The chief problem, in general, is the question of forage for livestock, and that is very serious.

Q Should this drought make any difference in the crop production loans?

THE PRESIDENT: In what?

Q Your attitude toward crop production loans?

THE PRESIDENT: No.

Q How about the seed loans?

THE PRESIDENT: Oh, you mean that. Of course those seed loans are primarily cotton loans, not affected by the drought one way or the other. Nearly all of it is cotton.

Q Do you know whether they plan to handle that as a separate piece of legislation?

THE PRESIDENT: The latest is that it will be tacked on as an amendment in the Senate.

Q That is fifty million more? What is the total?

THE PRESIDENT: Five hundred and twenty-five million.

Q Have you heard anything on the Pacific longshoremen's strike?

THE PRESIDENT: I have not heard anything since yesterday, when it looked pretty favorable.

Q Is there any steel conference scheduled for the week end, or in sight?

THE PRESIDENT: I have no idea. The thing changes from minute to minute.

Q What is your view on the crop curtailment in the light of the drought?

THE PRESIDENT: How do you mean, what is the view on it?

Q Do you still think it is a desirable thing?

THE PRESIDENT: Has nothing to do, one way or the other; no connection.

Q The drought affects the crop.

THE PRESIDENT: Which means that next year, if there isn't any carryover on a given crop, you increase the amount of crops that may be sown so as to provide for the estimated annual consumption plus a surplus.

Q Any further -- (interruption)

THE PRESIDENT: In other words, let us take a very good example of what you might call the eastern city point of view that does not know the difference between barley and wheat. People are apt to jump at the conclusion that there is a connection between a drought and crop curtailment. Of course, there is absolutely no connection whatsoever. The whole theory of crop curtailment is to prevent excessive surpluses. That is because excessive surpluses or carryovers force down the price to such an extent that the farmer cannot make both ends meet. If you have an adequate surplus to take care of a crop failure one season, that is all you need. Only it ought to be absolutely sufficient to take care of a failure, as it will be this year. There is enough food in the country. Now, the next year, you not only plant to grow enough crop to take care of the demand, the consumption, for the following year but also enough to establish a surplus.

Q Would it be a surplus that the farmer or the Government might own?

THE PRESIDENT: We haven't got to that stage yet in determining that. Of course, it has been under discussion for four or five years as to whether surpluses should be owned or controlled by the Government.

Q Mr. President, on this loan, is your attitude toward the Three A amendments unchanged?

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THE PRESIDENT: I think they are advisable.

Q You still wish to see them go through?

THE PRESIDENT: Yes.

Q What is your attitude on the Ickes oil control?

THE PRESIDENT: Unchanged. I hope we will get it because, as I understand this decision down in Louisiana, it is pretty good but only covers the particular case before the court and we are dependent, without the oil bill, on whatever the courts may decide between now and next January.

Q Can you throw any light on the conference with Perkins?

THE PRESIDENT: What did we talk about?

Q Steel, by any chance?

THE PRESIDENT: Only for a minute, that is about all. I do not know whether -- we talked about various departmental matters.

Q It was not only the steel industry?

THE PRESIDENT: No.

Q Have you any more plans for the social service?

THE PRESIDENT: We will have to keep on studying. We have been at it now for six months.

Q No commissions or anything like that?

THE PRESIDENT: No. Probably handle it myself like the other one.

Q What did Mr. Eastman have up the other day?

THE PRESIDENT: To tell you the truth, I have forgotten. We did talk about the bills up there and he hopes to get some of them through. Which ones, I could not tell you. You will have to ask him. He still thinks there is a chance.

(The Press Conference adjourned at 4.25 P. M.)

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CONFIDENTIAL
Press Conference #129-A,
Executive Offices of the White House,
June 13, 1934, 10.55 A. M.

MR. DONALDSON: All in.

THE PRESIDENT: I do not believe there is any news today at all.

Q Tell us about the 22 billions. (Referring to the report by George Peek)

THE PRESIDENT: You have this (indicating printed report). This is George Peek's story, given out on foreign trade. I do not know whether you are familiar with it but apparently it is the first time it has ever been done. This is something already given out by George Peek's office so I suppose you are all familiar with it. It is what might be called a preliminary estimate and subject of further studies, but it is the first thing of its kind that has been attempted, showing the total of American exports and imports from 1896 down and through 1933. In other words, it is a thirty-seven or thirty-eight-year period.

I suppose most people have the idea that during that period, because we had an apparently favorable export balance, that this country has made a lot of money out of its foreign trade. Well, these figures that George Peek's office has been working out, which have been at least partly checked by the Department of Commerce, rather disprove the theory that the United States makes a lot of money out of its so-called favorable balance. You will have to read the letter to me to get the details of it. The rough figures are that during this whole period we sold to the world goods to the amount of 121 billions -- that is billions, don't make it millions -- and we bought from the world goods valued at 84 billions, so there is an apparently favorable balance to the United States of 36 billion dollars, which means that, in another way of putting it, our imports were only seventy per cent of our exports.

But, as against that apparently favorable balance of 36 billions, George Peek says that we ought, in fairness, to deduct the amount that good Americans spent on their trips to Paris, in other words the tourist money, which amounts to 19 billions, so with that deduction it leaves an apparently favorable trade balance of only 17 billion dollars.

Then, you have two other amounts that you have to take into consideration: First, the services rendered by us to the world in shipping and freight services, interest and dividend payments, interest and principal payments of various debts, etc., which add to the amount owed us 26 billions, making a total owed us of 46 billions. Of course, if you do that, you have to charge off the other side of the picture and deduct the services rendered to us by the world shipping and trade services, interest and dividend payments on all foreigners' investments in the United States, things of that kind, and net gold imports, which would reduce the world debt of 43 billions by 21 billions, which would show that during this 38-year period the net amount owed to the United States is about 22 billion dollars.

And then, Peek makes the point that that 22 billion dollars, which is the net profit -- the easiest way of putting it -- the net profit of all of our foreign dealings, that that 22 billion dollars has not been paid us, that we have only got evidences of indebtedness, so that if those evidences of indebtedness are paid, then we will be 22 billion dollars better off for this 38-year period.

Now, of course, that is a very interesting thing and I suppose all of you people who know more of these things than I do will be able to write some fascinating stories; then you will turn it over to the headline man and he will do some more editing. However, it is a fine subject to go into because, as far as I know, this is the first time there has ever been what might be called a serious attempt to estimate these figures and perhaps a lot of people will dispute them.

Q Does it mean that the world welshes on their debts?

THE PRESIDENT: Oh, no.

Q How do they owe us 22 billion dollars?

THE PRESIDENT: Well, they have not paid us the favorable balance of trade in cash.

Q What are the evidences of indebtedness?

THE PRESIDENT: I will have to study it some more before I answer that question. Well, there are balances that various American firms have in Europe, which they cannot bring back here. The whole foreign exchange situation is involved in that. Then there are notes of foreign corporations, bonds of municipalities, their notes and bonds of all kinds of foreign corporations that are held here, not only by investors but by companies. If the General Electric (for example) sells a lot of equipment to some private concern in Italy, it takes notes of that private concern over a period of years, part cash and part notes. In other words, it is all the various mercantile type of debts.

Q A good part of that is liquid short-term stuff?

THE PRESIDENT: Yes.

Q Is it true that the whole 22 million dollars, none of it has been paid in cash?

THE PRESIDENT: 22 billions. That is the net part that has not been paid in cash. In other words, all the rest has been paid, just the same as we paid for what we bought.

Q Is it true that goods and services of foreign countries must be accepted by us if this country is to be paid off?

THE PRESIDENT: That, of course, is much too definite a statement because goods and services are one form of payment, only one form. Just the same way as the reply the Secretary of State made. For example, there are large headlines in the papers which would give the average layman who reads those papers -- it is the headline fellow's fault, not yours -- the idea that we had definitely made an offer to Great Britain that they could pay all their debt by sending us goods. That is what the layman gets from reading that type of headline in the morning papers. If you will read Hull's reply carefully, you will see that that kind of headline was unjustified.

Q In that connection, the London dispatches state that the British are a little puzzled by what we mean. Do we mean we would be willing to open our markets here sufficiently to permit them to accumulate dollar balances here?

THE PRESIDENT: We would be willing to discuss that with them as they had suggested on several previous occasions, in order to avoid the obstacle they raised, which was the payment in cash. We would be entirely willing to go along and talk about what they had suggested, which was partial payment in kind, but very partial. Obviously, you cannot transfer the whole -- what did they agree to pay us, 350 or 400 million dollars? Of course that could not be paid in kind.

Q Isn't it a safe guess we are not going to open our markets to permit them to accumulate dollar balances here?

THE PRESIDENT: That is a perfectly impossible question to answer. You cannot answer yes or no unless you start beating your wife. In other words, suppose we had agreed to take some tin. I just take that out of the air because I saw it in the paper this morning. Suppose we agree to take a certain amount of tin which we do not produce, does that open the markets in this country or not?

You can't write a definitive story on any of this stuff; that is the real answer. I could not if I tried.

Q Isn't the main purpose of this note to keep the debt question open?

THE PRESIDENT: No, the main purpose is to answer the British note.

Q Coming back to the Peek Report for a moment, he says in his report that the figures show that the international trade has been cumulatively disadvantageous to us and he says we have to make a new approach. Has he made any definite suggestions to you as to what the new approach might be?

THE PRESIDENT: No. As I say, this is the first time these figures have been worked up. Then, too, he divides them into a series of periods which are quite interesting: 1896 to 1914; 1914 to 1922, which is really the war period; 1923 to 1929, which is really the madness period; and 1930 to 1933, which is what might be called the reconstruction period.

Q What, if any, moral might be drawn from the figures?

THE PRESIDENT: None, absolutely none. That is exactly what I am trying to drive home, that nobody is trying to point any moral or do anything more about it except to give out these figures for people to think about and get interested in.

Q What effect on your policy in negotiating reciprocal trade agreements will that report have?

THE PRESIDENT: I have not any idea, any more than you have.

Q You signed a bill of great importance to the District -- I am spokesman here for the District --

THE PRESIDENT (interposing): Right.

Q That is the Alley Improvement Bill and in that it says that an agency is to be appointed to take the matter in hand. Have you decided who is to be appointed?

THE PRESIDENT: No. I asked the Commissioners and Mrs. Hopkins to talk over the formation of an agency and to come in and talk to me about it before I go away, because I would like to have something started.

I also told them another thing which, for the District, I suppose has some news value, which was that they have got $500,000. to start this work and I am very keen to see if we cannot increase that sum, how much I do not know, but I do not think that $500,000. is enough on the first year of the operation of this Bill.

Q How about public works? Where will that come from?

THE PRESIDENT: Public works? Another thing I told the Commissioners is what my position is -- it has always been the same -- I would like to see Washington, D. C., as the best residential city in the United States. But, on the other side of the picture, I do not think the capital of the United States should ever become an industrial or manufacturing city. It would be a shame. It involves all sorts of difficult problems. Let's keep it the best residential city of the United States and stop there.

Q Has the Tariff Bill been signed or are you giving it any further thought immediately?

THE PRESIDENT: No.

Q The labor disputes compromise -- is there anything on that?

THE PRESIDENT: We are not ready on that because they are talking about it up on the Hill and I suppose I will hear something about it at two or three o'clock this afternoon.

Q Can you comment on the Goldsborough Bill, parts of which were drawn by the General Motors Acceptance Corporation and the Johns-Manville Acceptance Corporation?

THE PRESIDENT: No, except that everybody is making allegations up there. Some are saying that the Building and Loan Associations are behind the effort to give them more money and eliminate other forms of guarantees. Frankly, I do not know anything about the cat fight going on up there in the Committee.

Q Do you want to comment on the House amendments to the Bill?

THE PRESIDENT: I think it is pretty well known I am not for them.

Q How about the new Senate Bill to put it on an administrator?

THE PRESIDENT: I do not know enough about it. What are they going to do?

Q There is a substitute bill before the Senate Committee which would set up a Federal Housing Administration and put everything in the hands of the Administrator.

THE PRESIDENT: What did the original bill set up?

Q Very much like the House bill, in different sections.

THE PRESIDENT: What kind of an administration.

Q I think all under the RFC in the House bill. I haven't analyzed that.

THE PRESIDENT: I don't know enough about the details.

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Q There is a new bill up there.

THE PRESIDENT: Where?

Q In the Committee.

THE PRESIDENT: In the Senate?

Q Yes.

THE PRESIDENT: How does it differ?

Q It puts everything under the Federal Housing Administrator.

THE PRESIDENT: I do not think it makes a lot of difference who administers it.

Q It is an entirely different bill. I am not familiar with the details.

THE PRESIDENT: It is a terribly complicated bill. I read the original through and have not looked at the substitute or amendments or anything else.

Q Should the Bill finally come down here so messed up that it is unworkable, is it likely you will veto it? (Laughter)

THE PRESIDENT: If it is unworkable, I certainly will.

Q Have you any comment to make on Mr. Tugwell's victory before the Senate Agricultural Committee?

THE PRESIDENT: I think I had better not.

Q Have you a Latin comment on that?

THE PRESIDENT: There is a certain restraint one must exercise.

Q Are you in favor of convict labor on roads?

THE PRESIDENT: Where?

Q In Virginia.

THE PRESIDENT: I haven't any idea; that is a state matter. We did use them in the State of New York in winter camps.

Q In view of the numerous and sundry reports and the changes made on

NRA, can you give us an outline of your own ideas on the ultimate setup? Does it appear to be shaping up?

THE PRESIDENT: When I do, it will take forty-eight hours to explain it.

Q What are the prospects of adjourning?

THE PRESIDENT: You will have to ask them up there, I do not know. Ask John Garner; he is a pretty good guesser.

Q Going back to your stand that Washington should not be an industrial city, does that entail greater financial responsibility on the Federal Government for its maintenance?

THE PRESIDENT: Why should it?

Q Industrial development might bring more money.

THE PRESIDENT: Yes, but good housing conditions bring good receipts too.

Q There is a story printed today to the effect that there is a new relief plan whereby unemployed will be put in closed factories and start canning our surplus goods.

THE PRESIDENT: I read it. Did that come from Hopkins?

Q I do not know where it came from.

THE PRESIDENT: I guess that probably was a hot weather story.

Q I believe the morning story is that they are going to take over a couple of factories and run them.

THE PRESIDENT: I saw the headline and read the lead; that is all.

Q The story seemed to put it rather definitely as the plan of the Federal Emergency Relief?

THE PRESIDENT: That is new to me. I never heard it.

Q What are the prospects of Governor George White, of Ohio, being given a Federal position?

THE PRESIDENT: I haven't the faintest idea.

Q. Are you considering a cut in the Canadian whiskey duty?

THE PRESIDENT: I have not heard about it. Does it have to come from me?

(The Press Conference adjourned at 11.15 A. M.)

CONFIDENTIAL
Press Conference #130,
Executive Offices of the White House,
June 15, 1934, 4.10 P. M.

Q That is Stevie's (Mr. Stephenson) presidential suit.

THE PRESIDENT: Is it his presidential suit? Looks to me as if he has outgrown it in front. He will lose a lot of that on the destroyer.

Q Yes, leaning over the rail.

MR. DONALDSON: All in.

THE PRESIDENT: I think all the news is up on the other end of Pennsylvania Avenue today. Things are happening up there and you know more about it than I do.

Q Is it going fast enough?

THE PRESIDENT: Oh, I think so; going along all right.

Q When does it look like you are going to get it?

THE PRESIDENT: I have not heard within the last hour.

Q What did you hear then?

THE PRESIDENT: Fifty-fifty.

Q Can you tell us whether you are contemplating any action with regard to Germany's latest moratorium, that is anything in the nature of representations to them?

THE PRESIDENT: I do not know. The Secretary of State mentioned in Cabinet meeting that they are studying the effect of the German action. I do not know whether they have taken it up with the German Ambassador yet or not.

Q In the absence of our friend, the Count (Rudolph de Zapp), are you getting anywhere near that judgeship appointment in the Municipal Court?

THE PRESIDENT: God! You know, I had entirely forgotten it.

Q The Attorney General thought he would send a name over here?

THE PRESIDENT: Will you make a note of that to ask about it? It will have to go up fairly soon.

Q The term of Frank McNinch (Chairman of the Federal Power Commission) expires next week. Have you definitely decided --

THE PRESIDENT (interposing): When does it expire?

Q The twenty-third (the term actually expired on the twenty-second).

THE PRESIDENT: I have not done anything about it at all.

Q Isn't there another vacancy on that Commission?

THE PRESIDENT: No, I filled that the other day, Mr. Seavey.

Q Mr. President, is the Mediation Board going to be filled, Railroad Mediation?

THE PRESIDENT: I doubt it. Something might happen between now and tomorrow night, but I doubt it.

Q What about a new Public Printer?

THE PRESIDENT: Won't be anything until after the session anyway.

Q Any more Tariff Commission appointments?

THE PRESIDENT: I do not think so.

Q Have you signed the Communications Commission Bill today?

THE PRESIDENT: Has it come down to me yet? I do not think it has. It has not got in here yet. The only bill I have on my desk, not acted on, has to do with the Cherokee Indians.

Q Do you intend to appoint the members to the Communications Commission before you go?

THE PRESIDENT: Yes.

Q The New York Evening Post carries the story today that Mayor Hague has

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invited the New York manufacturers to come over to his town with their plants and that there would be no strike trouble. The Chief of Police issued an order forbidding picketing and the National Labor Board said it was powerless. Anything submitted to you yet?

THE PRESIDENT: I think that is the usual attempt of Jersey City to steal New York's business.

Q The matter has not beenlaid before you?

THE PRESIDENT: I never heard of it.

Q Inasmuch as it is (war) debt payday, can I induce you to comment on the generosity of the debtors?

THE PRESIDENT: No.

Q Can you tell us anything about your plans for the summer other than --

THE PRESIDENT (interposing): I suppose you would like to know, Fred (Mr. Storm). Well, the only thing that is definite is that the actual date of departure is indefinite. In other words, I do not know what day we are going to push off. I might put it off three or four days to give me a little bit more time to go up to New London and then come back here for three or four days just to clear up odds and ends and then push off from Annapolis instead of New York. But the date is on a moveable basis, some time, we hope, between the twenty-sixth of June and the fourth of July. That is as near as I can give it.

Q Have you given any thought to touching at any ports?

THE PRESIDENT: Yes, I hope very much to be able to go to Cartagena, Colombia, and pay a call on the President of the Republic of the United States of Colombia. It is about fifty miles -- less than that, about forty miles out of the way of the straight course from St. Croix to Panama, so all it would involve would be spending one extra day and

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go in there if the President of Colombia comes down to Cartagena. We would spend the day together and that would be the first time that any American President has ever visited any nation in South America during his term of office.

Q What is the occasion of this official visit?

THE PRESIDENT: What?

Q What is the occasion of the visit to Columbia?

THE PRESIDENT: Just to say, "How do you do?" It is on the way.

Q Any celebration?

THE PRESIDENT: No, we get there on the Fourth of July if we leave on the twenty-sixth.

Q Would that involve landing on their soil?

THE PRESIDENT: Oh, yes; there would be nothing new in that.

Q I thought they might come out to your boat.

THE PRESIDENT: I am going to lunch with the President of Panama. That has been done on many occasions.

Q Mr. President, I am not sure whether there is a map out there in the Press Room. Do you mind spelling the name?

THE PRESIDENT: Well, anglicized it is C-a-r-t-a-g-e-n-a and it takes you quite a while to practise the pronunciation of the "g".

Q On the steel situation, it has been intimated that you might consider calling both parties to Washington. Is that a fact?

THE PRESIDENT: No, I have not heard anything about it.

Q Tomorrow is the sixteenth and the present tenure of the NRA Licensing Act does expire tomorrow. We heard from some people on the Hill that there might be a possibility that you might want to extend that. Can you give us any idea on that?

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THE PRESIDENT: It is a long time between now and tomorrow.

Q Thank you. (Laughter)

THE PRESIDENT: Frankly, I do not know; anything might happen.

Q Do you care to comment, or has your attention been called to the statement up there at Pittsburgh proposing that you appoint an arbitration board?

THE PRESIDENT: Yes, Steve (Mr. Early) told me about it. Of course I could not comment until I see the whole thing.

Q Have you received the Shipping Code? What has happened to it?

THE PRESIDENT: I got it quite a while ago and it has been going the rounds. I think I can intimate that I am not satisfied with it but I have not had time to put down why I am dissatisfied with it. The same way, I do not like the provisions of the Utilities Code.

Q What are the objections?

THE PRESIDENT: I was just saying I have not got to the point of setting them forth in detail.

Q That means you probably won't sign either one?

THE PRESIDENT: Probably not as submitted.

Q Mr. President, on this German moratorium business, Germany complains that she has not been permitted to pay in goods on these obligations. In view of the fact that we have more or less invited partial payment of war debts in goods, would it not be possible for Germany to come here with goods for payment on these other debts?

THE PRESIDENT: I don't know. In other words, we have not considered it one way or the other at all. They have never offered to pay in goods, have they?

Q No, sir; not that I know of.

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Q Did you tell Senator Robinson, sir, that you wanted labor legislation this session, before adjournment?

THE PRESIDENT: Yes, quite a while ago.

Q Have you agreed on a substitute form?

THE PRESIDENT: That you will have to find out up there on the Hill. In other words, the real situation is this: We have been trying to get some form of legislation which would not greatly delay the termination of the session, and there have been at least a dozen different drafts of legislation, and it is a matter, and has been for the last two days, a little over two days, of discussion between Senator Robinson and Senator McNary. That is really what it comes down to. I haven't heard anything since this morning when various other suggestions were made.

Q Mr. President, can you comment on those three or four principal objections to the terms, such as limiting it to one year and restricting power?

THE PRESIDENT: There is no objection to restricting it to one year. There was definite objection to eliminating the word "organization" from the principle of representation. In other words, 7-A. This might just as well be made absolutely clear once and for all: About 120,000,000 people out of 125,000,000 understand plain English, and there seems to be a very, very small minority that do not understand plain English. 7-A says that the workers can choose representatives. Now if they want to choose the Ahkoond of Squat they have a perfect right to do so. If they want to choose the Royal Geographic Society, they can do that. If they want to choose a Union of any kind, they can do that. They have free choice of representation and that means not merely an individual or a worker, but it means a corporation or a union or the Crown Prince of Siam, or anybody. And that has got to be made absolutely clear in this legislation.

Q How do you feel on the point of minorities?

THE PRESIDENT: The question of minorities is not a tremendously serious one because that has to be worked out in each individual case. If there is a substantial minority, it seems fair and equitable that that minority should have some form of representation, but that is a matter of detail depending on the individual case. In some industries it is possible that neither side may want to have it.

Q Suppose they do choose the National Geographic Society, then do the employers have to trade with them?

THE PRESIDENT: Absolutely.

Q About this Crown Prince of Siam, how is he going to get over? (Laughter)

THE PRESIDENT: If he is anything like the King of Siam, he will be pretty good.

Q Are you going on the radio before you leave Washington?

THE PRESIDENT: If I have time. I don't know whether before I leave Washington or before I sail.

Q With reference to the vacation, have you any plans for touching on the Pacific Coast?

THE PRESIDENT: Well, I am going to land on the Pacific.

Q On the return?

THE PRESIDENT: Where I am going to land, I do not know, but of course I would like to go up the whole length of the Coast although it seems very doubtful that I would have time at the present time because, as we all know, the Pacific Coast is exceedingly hospitable and if you go to one place, you have to go to all, and I have to get back to Washington so that the length of time I can be on the Coast will have to be limited. On the way back I am going to specialize, you might say, in going to some of the big projects, like the two Columbia River projects, the Fort Peck project and some of those. Those individual places are not by any means certain but I will go to three or four projects on the way back; it might not be those.

Q Assuming you get away on the twenty-sixth, at what time will you get to the Coast?

THE PRESIDENT: Somewhere around the end of July.

Q About four weeks?

THE PRESIDENT: Yes; the total length of time away would be less than five weeks; about four weeks, four days.

Q On this possible radio speech, will that be a general report of your stewardship?

THE PRESIDENT: I have no idea; none at all. There is one other thing which I noticed somebody had already started to write a piece about, as they say. During the summer -- in case I forgot to mention it -- it looks probably now as if Congress is going to give us some money in order to have a bit more room in the Executive Offices -- this room, too -- and we have, after fifteen or twenty different designs were made, we seem to have arrived at a pretty good design which will have the entire approval and sanction of the Fine Arts Commission and which would at the same time not destroy the general White House plan. There are certain tricks involved in it. A portion of the new space would be underground, hidden entirely by hedges and things like that, with a sunken courtyard and all sorts of tricks, and another portion

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of the addition would be up over this (indicating the ceiling) with practically no change except making the attic livable. Then, the third portion would carry a little one-story portico out on that side (indicating) of the Cabinet Room and in that sort of portico effect would be my new office. My new office would be substantially the same design (as this office) but two feet longer and two feet wider. I did that on account of the Press.

Q Just two feet? (Laughter)

Q May I offer a suggestion that you have some bleacher seats for those little guys in the back? (Laughter)

THE PRESIDENT: We are going to have it designed. Did you ever see an operating room in a medical school? We are going to have tiers running around the wall, almost up to the ceiling, so that you can all see the carving.

Q Are you going to the World's Fair on your return?

THE PRESIDENT: No.

(The Press Conference adjourned at 4.20 P. M.)

CONFIDENTIAL
Press Conference #131,
Executive Offices of the White House,
June 19, 1934, 10.50 A. M.

THE PRESIDENT: I do not think there is any news at this end. The news is on the way down from the Capitol to the White House -- it hasn't got here yet -- several hundred bills.

Q Do you plan to sign the Farm Credit Bill?

THE PRESIDENT: I have no idea; I have not read it. I cannot tell you about any bills as nothing has come down yet. My basket is clean. I am right up to date on everything there is.

Q Have you taken notice of the House Committee's report on General Foulois, Chief of the Air Corps?

THE PRESIDENT: I did not have time. The Secretary of War was in yesterday and I did not even mention it to him. I was on the end of a telephone most of the day and most of the night and cleaning up correspondence in between.

Q There was some startling evidence with regard to the Port Newark Army Supply Base.

THE PRESIDENT: Was there?

Q Are you going to settle the judgeship of the District of Columbia before you go, or after you come back?

THE PRESIDENT: It has been referred back to the Attorney General three separate times and has not come through yet.

Q How about the Alley Cleaning Commission (Alley Dwelling Commission)?

THE PRESIDENT: Oh, I do not know. There was a recommendation from some kind of a board with various -- I do not remember who was on it -- the Planning Board was represented and then these Alley people who

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worked for the Bill were to have people on it, but anyway that was the recommendation. It was a committee.

Q You have not appointed anybody?

THE PRESIDENT: No, it was a committee of six or seven people with various organizations.

Q Have you decided whether the Wagner Labor Board will administer this new Resolution?

THE PRESIDENT: I do not know; we have not taken it up.

Q Have you decided when you will appoint the Stock Exchange Commission?

THE PRESIDENT: Before I sail.

Q How about the Housing Administrator?

THE PRESIDENT: Before I sail. I do not think there will be any appointments announced until I get back here next Tuesday morning. I do not think there is a chance.

Q Have you any setup ready under the Housing Act?

THE PRESIDENT: No, not a thing; I have not even mentioned it.

Q. When do you expect to sail?

THE PRESIDENT: Somewhere between the thirtieth and the Fourth of July.

Q Still?

THE PRESIDENT: Yes, still.

Q There are still some departmental objections to the Taylor Grazing Bill. Have those been communicated to you yet?

THE PRESIDENT: I have only a memorandum asking that they be heard from the Department of Agriculture. I do not know yet what they are. I think it relates to a constitutional question, that is some question of law as to whether easements to water holes are permanent easements or temporary. In other words, if it is a permanent easement, it is a vested right and the Taylor Bill, as I remember it, does recognize it as a vested right. The Department of Agriculture, I think, says they are not vested rights but purely temporary easements and there are some Supreme Court decisions that I am not familiar with and it will hinge largely on that.

Q How about the Coast Guard Pay Bill?

THE PRESIDENT: No, did it pass?

Q Yes, sir.

THE PRESIDENT: I did not know that.

Q Do you intend to visit the Republic of Panama as well as the Canal Zone?

THE PRESIDENT: I am going to lunch with the President of Panama.

Q In Panama?

THE PRESIDENT: Yes.

Q The British and the French Governments have threatened to impound some of the trade profits on credits affected by the debt moratorium. Is there any action along that line that we can take?

THE PRESIDENT: I do not know. If I said, "Yes," you would probably say we were going to do it. I have not the faintest idea on it but three days ago I asked the Secretary of State whether legislation was necessary before Congress went home and he said no, that the legislation was not necessary because the control over the foreign exchange in last year's bill seems sufficiently broad to cover it if we wanted to do it. I have no idea what the State Department feels about what we should do. You had better check up there. We have the power to do it.

Q Do you intend to select a chief for your prospective Bureau of Insular Affairs before you go away?

THE PRESIDENT: I do not know. I spoke to the Secretary of Interior about that about a week ago and we just put off discussing it. When does that go into effect?

Q July twenty-eighth.

THE PRESIDENT: Then we won't do it until I can get back.

Q The adjournment of Congress has no effect?

THE PRESIDENT: Sixty days after it goes in?

Q Anything new you can tell us on the steel situation? Do you plan to see any of the steel people before you go away tonight?

THE PRESIDENT: Absolutely no plans. I will talk to Perkins (The Secretary of Labor) about it this afternoon.

Q Has anything new come to you recently concerning the drought situation, any report?

THE PRESIDENT: Yes; I got a report up to the minute yesterday. I am afraid I have filed it. I will have to tell you from recollection. Of course, in the wheat country the sections where there was going to be a total loss still remain a total loss. There is very little improvement in wheat. In corn, the situation is a little better but is menaced to a certain extent by the cinch bug in a good many areas, and we won't know how fast and how far the cinch bugs will go for another week or ten days.

Taking it by and large the general drought situation is certainly no better, but I don't think it is any worse than it was a couple of weeks ago. It will depend a good deal on July weather, especially in corn.

The first bale of cotton was picked yesterday somewhere in Texas.

Q Mr. President, in connection with the tariff bargaining, do you expect to organize this third Export-Import Bank very soon under Peek?

THE PRESIDENT: I do not think so; there has been no talk about it.

Q What have the existing banks been doing, if anything, so far?

THE PRESIDENT: The first bank is not doing anything. That was the Russian (pronouncing it Roossian) Bank. Ever hear of it?

Q That is how it is pronounced in Pennsylvania.

THE PRESIDENT: On the second bank, we are discussing extending its operations to take care of the necessary loans to Puerto Rico and the Virgin Islands.

Q Thank you.

THE PRESIDENT: It seems a logical place to fit them in.

Q Mr. President, when do you sign the silver bill?

THE PRESIDENT: Tonight, at 8.45.

Q Any proclamation in connection with the silver bill?

THE PRESIDENT: Not that I know of.

Q What is the nature of the loans to Puerto Rico and the Virgin Islands?

THE PRESIDENT: They have got some pretty ambitious plans worked out. You had better wait until you get down there and I will tell you more about it.

Q Rum?

THE PRESIDENT: No, in Puerto Rico it is largely a question of homesteading and taking over quite a large amount of marginal lands. Of course you are not precluded from growing sugar cane for your own consumption, if you want to.

Q Will this Export-Import Bank handle the marketing of coffee in other countries?

THE PRESIDENT: No.

Q They sell their coffee to other countries and not here and they lost their market because they lost their supply in a hurricane. That would supply some work.

THE PRESIDENT: I don't know. That would be a logical thing. I signed yesterday the Joint Resolution approving of the ten per cent coffee tax for Puerto Rico.

Q When do you think you will sign the major bills coming down today? Before you get away tonight?

THE PRESIDENT: I doubt it very much. There are between two and three hundred and the normal course for those bills, of course is to go to the departments and agencies they involve for recommendation and they will be drifting in here in the course of the next four or five days.

MR. EARLY: There are about 125 of those out in the departments.

THE PRESIDENT: Steve (Mr. Early) says there are about 125 of those out in the departments. Then of course there was quite a lot of stuff went through yesterday that has not got to the departments yet and, well, I will just act on them as they come along. I am having a bunch of them sent up to the SEQUOIA Thursday morning and will probably act on those on the high seas of New London Harbor and have another batch reach me at Hyde Park on Saturday. There won't be any particular order. I will just work on them as they come along.

Q In view of the labor situation, can you give us a background sketch as to policy in that connection? What is going to happen to the National Labor Board?

THE PRESIDENT: I do not know. I do not know what the details of the administrative setup would be at all. The real problem is when it

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comes down to a question of elections in different plants as to how that machinery of elections will be conducted. If they make an effort to hold practically simultaneous elections in all steel plants, for example, it would be a tremendous strain on personnel because you have to have people to conduct the elections who will have some knowledge of the work. About the best guess you can make is that we will go ahead with the holding of these elections as fast as practicable but it does not mean we can do them all simultaneously or in ten days.

Q Is it your desire to set up a national board or industrial boards for each industry?

THE PRESIDENT: I do not know yet. We have not talked about it at all.

Q Thank you, Mr. President.

THE PRESIDENT: I will see you next Wednesday, a week from tomorrow.

(The Press Conference adjourned at 11.02 A. M.)

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CONFIDENTIAL
Press Conference #132,
Held aboard the "SEQUOIA" in the
harbor of New London, Connecticut,
June 22, 1934, 11.45 A. M.

THE PRESIDENT: What paper do you represent (addressing Miss Roberta Barrows)?

MISS BARROWS: The New York Times. (Laughter)

Q How do you like the races?

THE PRESIDENT: I will have some news for you tomorrow, something really interesting.

Q Any Commissions there (referring to the official papers being signed by the President)?

THE PRESIDENT: Not yet. Everything is all quiet.

Q Can you give us a word on the races?

THE PRESIDENT: Both awfully good races.

Q The freshmen race was much closer than the other.

THE PRESIDENT: Yes, a good race. Here is the Committee's boat.

MRS. ROOSEVELT: Good morning, Stevie (Mr. Stephenson). How are you?

Q (Mr. Stephenson) Just fine.

Q Mr. President, are you having a good time?

THE PRESIDENT: Fine. I have to go to work now.

Q We are having a delightful time over at Henry Morgenthau's Naval Academy (referring to the fact that the Press had been quartered at the Coast Guard Academy near New London).

THE PRESIDENT: Where are you, at the Academy?

Q Yes, sir; and we are having one grand time.

THE PRESIDENT: That is marvelous. You know, I have never been there.

Q Goodbye, Mr. President.

CONFIDENTIAL
Press Conference #133,
Executive Offices of the White House,
June 27, 1934, 11.00 A. M.

Q Good morning, Mr. President.

THE PRESIDENT: Good morning, Fred (Mr. Storm). Good morning, Stevie (Mr. Stephenson). This is what is left, plus what is coming in. There are about ten more out.

Q They are all bills, Mr. President?

THE PRESIDENT: Yes.

Q Those plus ten?

THE PRESIDENT: Those plus ten that are still out. I did 124 last night and this morning. No, I had 124 last night and 15 this morning.

Q The Commissioners for the District of Columbia, giving them authority on the --

THE PRESIDENT (interposing): I cannot tell you yet. They will be with the others.

Q Is that the District tag, Mr. President?

THE PRESIDENT: Yes.

Q I hear Roy Vernou (the Naval Aide to the President) says he is arranging for that cruiser to shoot a 16-inch shell through my back. (Laughter)

THE PRESIDENT: It would take a 14-inch shell. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I think the only news I have this morning is that I have been presented with tag license No. 1 for The District of Columbia. So now we are all set up.

The bill position is this, that last night I worked until 1.00 A. M. and did 124 bills; I did 15 more this morning and there are only left six bills on my desk plus about 10 which Steve (Mr. Early) says are still out around the departments. So there are only about 16 more to be acted upon. I hope to finish them up tonight.

Q The 16 includes the Farm Mortgage Bill?

THE PRESIDENT: I cannot tell you anything about that. There will be a list this afternoon and I think by process of deduction you can find out what bills are among those 16 yet to be acted upon.

Q How about the Railroad Pension Bill?

THE PRESIDENT: You will have to use deduction methods on it again.

Q How about the Housing Bill?

THE PRESIDENT: The same thing. I am not going to tell you. It would break Steve's (Mr. Early) heart if I did it now.

Q Can we look for some pretty big stuff then this afternoon, Mr. President?

THE PRESIDENT: Not this afternoon; not until tomorrow morning. I have some people to see during the course of the day.

Q Have you seen the election proposal of the Sheet Steel Union?

THE PRESIDENT: No, I have not. Miss Perkins is coming in this afternoon.

Q What is the status of your appointments that you have to make in the next day or two?

THE PRESIDENT: They will come along after the sixteen bills. I have done nothing on them yet, on any appointments.

Q Mr. President, while you were away there was a story carried that Sykes (Mr. Sykes, of the Federal Radio Commission) is going to be the only member of the present Federal Radio Commission to be appointed (to the Federal Communications Commission).

THE PRESIDENT: It is literally true that I have not thought of anything.

Q Do you intend to appoint the Aviation Commission before you leave?

THE PRESIDENT: I hope to but it is not definite and I still hope to get off. If I do not do it before I go, I will do it by radio. I still hope to get off on Saturday but I am not going to crowd myself too much. If staying another couple of days will help, I will wait until Monday.

Q How about the agency for the alley cleaning problem in the District of Columbia?

THE PRESIDENT: I think they are having a meeting today.

Q They have not been appointed yet?

THE PRESIDENT: I think it is today that they are having a meeting. I sent some kind of a letter yesterday suggesting they have a meeting.

Q Will the appointments of the Municipal Court (Judges) be announced too?

THE PRESIDENT: I forgot to speak to Jim Farley about that. Steve (Mr. Early), will you remind me to do that?

Q The British are discussing our naval plans in order to come to a level ratio. Can we say we are through seeking to disarm by one-sided sacrifices?

THE PRESIDENT: That sounds pretty good. Will you write that out for me? (Laughter)

Q Isn't it on for discussion?

THE PRESIDENT: I haven't heard a single thing in the dispatches from Davis (Ambassador Norman Davis) and anything on that has to come from the other side.

Q We cannot even induce you to comment on the British plans?

THE PRESIDENT: No.

Q Since she left you yesterday (the previous evening) there have been no reports definitely from Miss Perkins (The Secretary of Labor) on the longshoremen's strike. Is there anything she reported to you which you can tell us?

THE PRESIDENT: Was that announced last night? The only thing that happened last night was the appointment of the Board. I think you have that.

Q In the morning papers.

Q Mr. President, the figures from the Treasury Department indicate that liquor is being withdrawn at only a rate of a third of what was anticipated. Choate (Chairman Joseph H. Choate, Jr., Federal Alcohol Control Administration) recommended a tariff reduction in duties on that. Is there anything to be done in that line?

THE PRESIDENT: I might do it by radio. The thing is still being studied.

Q It looks as if two gallons of bootleg liquor is being drunk to every one on which tax is being paid.

THE PRESIDENT: Yes; I have not the figures on it.

Q About being drunk, you mean? (Laughter)

THE PRESIDENT: What is that? Stevie (Mr. Stephenson), you had better wait until you get to the Virgin Islands before you do it.

Q Are you going to speak in Puerto Rico, Mr. President?

THE PRESIDENT: I hope not. I hope I will never have to make another speech.

Q Do you plan to appoint people, similar to the longshoremen's strike, in the steel strike?

THE PRESIDENT: I do not know, because I have not talked to Perkins. We did the longshoremen's last night and might do something today, but I cannot tell you.

Q Since the Labor Bill has been signed, there has been a lot of speculation with respect to the labor boards that exist and there has been comment that you intend to abolish them.

THE PRESIDENT: I have not gotten to it yet.

Q Mr. President, can you enlighten us on the attitude of the Administration toward LaFollette?

THE PRESIDENT: No, I could only talk to you off the record about it. It would have to be off the record because I cannot take part in these things officially or, really, in any other way. As far as I go, personally, I would love to see Bob LaFollette back here because he is a very old friend of mine and has been very helpful. But, as you appreciate it, I cannot go ahead and the National Administration cannot go ahead and compel some party organization in a particular state to do something at the command of the National Administration. It just cannot be done.

My own personal hope is that they will find some way of sending Bob LaFollette back here. That is about the whole story. But I cannot compel the democracy of Wisconsin to go ahead and nominate him. As I say, I have to keep that off the record.

Q Does that apply to New Mexico?

THE PRESIDENT: To tell you the honest truth, I don't know the situation in New Mexico. Of course, Bronson Cutting is also a very old boy friend of mine, but I understand that Chavez is going to run and Chavez is a pretty good Congressman. I am trying to get across the idea that if we have the right kind of people, the party label does not mean so very much. I have to keep that off the record, too. (Laughter)

Q How about Minnesota?

THE PRESIDENT: I do not know much about it. Who is running on the Democratic ticket, Hoidale (Representative Einar Hoidale)?

Q Yes, sir.

THE PRESIDENT: He is a very good friend of mine and Shipstead (Senator Shipstead) is too. I am in a sort of quandary there.

Q Have you the same difficulty, sir, in Pennsylvania? (Laughter)

THE PRESIDENT: There is no difficulty in Pennsylvania at all. (Laughter)

Q Mr. President, before they take you all over the country, let us go to Alaska for a moment about the possibility of establishing a United States Naval Base or Navy base of some kind up there.

THE PRESIDENT: I never heard of it. Is there any talk of it?

Q The Army and Navy are sending squadrons as a sort of training fleet and there has been talk of a survey for a base of some kind.

THE PRESIDENT: I never heard of it.

I do not believe there is anything else in particular. We will have a conference on Friday afternoon and maybe it will be the last one in some time.

Q Thank you, Mr. President.

(The Press Conference adjourned at 11.10 A. M.)

CONFIDENTIAL
Press Conference #134,
Executive Offices of the White House,
June 29, 1934, 4.10 P. M.

THE PRESIDENT (Turning the papers on his desk face down) This is to see that everything is properly hidden. (Laughter) I wasn't looking at Russell (Mr. Young); it is all right.

Q Are you all ready to go this evening?

THE PRESIDENT: All I need is some sleep.

Q So say we all.

Q You had a long session of it last night, didn't you?

THE PRESIDENT: I sat up and drank beer with Barney Baruch and Joe Kennedy. I did not do any work at all. It was awful -- two o'clock and I have no excuse for it.

Q They hung a thermometer out here a while ago and it only got up to 129½.

THE PRESIDENT: Wait until you get to Cartagena. That is nothing, the mercury boils down there.

MR. DONALDSON: All in.

THE PRESIDENT: I think the only news at the present moment is an order which I signed this morning to see if we could correct a very difficult situation in regard to the purchases of various articles by the Government. You know, we have been getting a series of identical bids on the plea from the bidders that they are precluded from putting in competitive bids by their filed prices with their respective Code Authorities. We are going to try something new to see if we can break that down. The Executive Order provides -- you can get a copy of it after the Press Conference so that you can tell what it provides -- that any bidder for a Government contract of the United

States or a state or municipality or other public authority, in other words any kind of a Government contract for goods on which the bidder has filed prices with his Code Authority, these bids from now on will be held to have complied with the Code requirements on two conditions: First, if the bidder quotes a price to the Government agencies not more than 15 per cent below his filed price and, secondly, if he does quote a lower price than the filed price, he shall file that lower price with the Code Authority.

In other words, he gives the public the advantage of the same reduction that he offers to the Government.

The second part of it is that if any other member of the Code believes that this lower bid is made possible only by unfair practices, that he has the right to complain to the Administrator of Industrial Recovery who shall thereupon make a finding as to whether the complaint is justified or not.

We hope by this means to restore competition on Government bids and, incidentally, as a result of that, in a very large line of actual prices to consumers, private consumers, and at the same time to prevent unfair trade practices.

Q In other words, Mr. President, if they bid on a Government contract now they do not have to file their prices with the Code Authority?

THE PRESIDENT: Actually at the present time they all bid the same price with the Government on the excuse that that is the price they have filed with the Code Authority.

Q Was this situation true of the Fort Peck Dam Project where they all bid the same price?

THE PRESIDENT: Literally dozens of cases where we have been getting identical bids.

Q How could this react on the public? How could they share if the bids are for the Government?

THE PRESIDENT: Because they have to file. When they file bids on the Government contracts, they have to file the same price with the Code Authority.

Q Won't that still be uniform?

MR. EARLY: Fifteen per cent.

Q It limits competition within a fifteen per cent range?

THE PRESIDENT: Yes. It enables them to have competition to within fifteen per cent below the filed price.

Q They could offer the same prices to the public?

THE PRESIDENT: As to the Government, yes. When they bid on the Government thing it automatically cuts their filed price with their own Authority (Code Authority).

Q That breaks the fixed price?

THE PRESIDENT: Yes.

Q Isn't the result likely to be that anything that one of their competitors will cut fifteen per cent on, they will cut the same amount?

THE PRESIDENT: We cannot tell; we do not know what the effect is going to be.

Q How would this affect the basing point system, if any?

THE PRESIDENT: I don't know; it is too complicated a question. I haven't the faintest idea.

Q Mr. President, didn't you sign the Railroad Pension Bill?

THE PRESIDENT: I have acted on the Railroad Pension Bill and the Frazier-Lemke Bill and the only reason I haven't told you of my action is that I want to file -- to give out a memo or statement at the same time and those are, neither of them, written.

Q Will we get them tonight?

THE PRESIDENT: I hope so, but I cannot guarantee it.

Q Mr. President, do you care to comment on the volume of work that is likely to flow from the Housing Bill, the Housing Act?

THE PRESIDENT: Oh, no, I have no idea yet. There has been no survey of the situation.

Q It will certainly be very large?

THE PRESIDENT: We hope so.

Q Can you give us an idea of the setup you supply under that bill, or do you work that out in detail?

THE PRESIDENT: No. I have asked -- I had better not even say that. I have not got to the point of that.

Q Will the arrangement be made before you leave?

THE PRESIDENT: I hope so.

Q Are you ready to give us the names of the Stock Market (Commission)?

THE PRESIDENT: I hope so.

Q Today?

THE PRESIDENT: Tomorrow or Sunday, and the same thing on Communications and the same thing on pensions. I hope to get most of them done before I go.

Q How about the Archivist?

THE PRESIDENT: I am not appointing anybody yet. The building won't be finished until next summer and I do not see why I should spend ten or twelve thousand dollars a year.

Q Hopkins (Harry Hopkins) said he was definitely out as Housing Administrator.

THE PRESIDENT: He has never been definitely in or indefinitely in. (Laughter)

Q Is it possible on this order for Government bids for a bidder on two successive bids to make two successive fifteen per cent cuts? That is, he cuts fifteen per cent on the first one and then files it and then --

THE PRESIDENT (interposing): And then there is another opening the following day? I do not see why not. It is perfectly all right.

Q Mr. President, does he file this price after the bid has been delivered to the Government?

THE PRESIDENT: Yes.

Q It is secret until --

THE PRESIDENT (interposing) Secret until the Government bid is actually opened.

Q And if he does not get the contract, he is not bound by that bid price to the public?

THE PRESIDENT: Yes, he is. Everybody, every bidder.

Q If he doesn't get the bid?

THE PRESIDENT: I suppose so, from this language. He shall have been held to comply adequately with the requirements of the Code of Fair Competition, (a) if he quotes a price or prices not more than fifteen per cent below his price or prices filed in accordance with the requirements of the Code and (b) if, after the bids are opened, each bidder quoting a price or prices below his file price shall immediately file a copy of his bid with the Code authorities, with which he is required to file prices.

Q In other words, whether he gets the Government's bids or not, that price stands?

THE PRESIDENT: Yes.

I think Steve (Mr. Early) told you about my going off. We are going on Sunday evening at six or seven o'clock and getting away during the course of the night and stopping off at Hampton Roads at about seven o'clock the next morning to put off fond farewell messages and to send a report of Fred (Mr. Storm) and Stevie (Mr. Stephenson) and Eddie (Mr. Roddan).

Q (Mr. Stephenson) Say little about that.

THE PRESIDENT: To say how they have stood the angry waters of Chesapeake Bay and about half an hour later I hope we will be out of sight of land. I hope, in the meantime, that you will have, all of you, a pleasant and happy holiday, with no news out of Washington.

Q What is this they say about the destroyer?

Q I am hearing a lot of tales about how those destroyers ride.

THE PRESIDENT: Why, they are fine. (Laughter)

Q Oh, yeah? (Laughter)

THE PRESIDENT: They are well broken.

MR. EARLY: That is why they call them destroyers.

Q We hope you have a very nice trip.

Q Thank you, Mr. President.